



## **Check 21 Information**

How your checks are paid is changing

"Check Cashing for the 21st Century Act", now simply referred to as "Check 21", is a new law established in October of 2003. "Check 21" was introduced with the goal of streamlining the nation's check clearing procedures. This will be accomplished by allowing banks to process your checks electronically whenever possible. Not only does the new law allow banks to forward your checks for payment electronically it also provides for the creation of a new negotiable instrument called a "substitute check".

The substitute check is simply a paper copy, both front and back, produced from a digital image of your original check. It is a legally accepted document with all the rights and obligations of your original check and can be negotiated as such.

### **What Check 21 Means for You the Consumer:**

Now that banks will be allowed to forward your checks to the paying bank electronically, your checks will post to your accounts much more quickly than they have in the past. As a consumer you should be aware that checks that were typically taking four to five days to reach your account may now take as few as two to three days, in some cases even less drastically reducing "float". Now more than ever you will have to keep a closer watch on your checking account balance so that you only write checks when you know that the balance in the account will be high enough to cover all of your checks.

On a positive note, faster payment of items will also reduce the risk of fraud, create faster resolution of errors concerning your account and because items will be sent electronically there is less risk of items being lost or destroyed in transit.

### **Your Rights Under Check 21:**

If you feel that a substitute check has posted to your account in error, if the item has posted for an incorrect amount or has been altered in any way, you do have the right to request a refund for any loss or fees that you may have incurred related to the substitute check.

Your refund cannot exceed the dollar amount of the check and any fees or loss of interest earned. You must notify your bank within 40 calendar days of the receipt of your statement or the notification that a substitute check has posted to your account, whichever is later.

Contact First National Bank for more information concerning "Your Rights & Check 21" at 770-227-2251.