

Published: 02.20.2005

## **Bill would make deposited funds available to consumers sooner**

*SALT LAKE TRIBUNE*

Deposit a check in your account this morning and it could take days for your bank to make the proceeds available to you. Write a check at the same time and the money could disappear from your account within hours.

Such is the dilemma facing consumers under the Check Clearing for the 21st Century Act - dubbed Check 21 - which in October ushered in a new era of super-fast check-processing times. While the measure over time enables banks to reduce the time it takes for checks to clear, it does not require them to make funds from deposited checks available more rapidly to consumers.

A Democratic congresswoman from New York finds that unfair.

"Banks are increasingly implementing the faster check-clearing procedures, while their customers are increasingly paying unnecessary overdraft penalties," Rep. Carolyn Maloney said last week in introducing the Consumer Checking Account Fairness Act.

A number of consumer advocacy groups believe Check 21 tilts too far in favor of banks. They like what they see in Maloney's bill.

"Since banks are benefiting from quicker check processing under Check 21, so should consumers," said Gail Hillebrand, senior attorney for Consumers Union.

### **Unclear how banks will react**

Banks now may delay making funds available to consumers up to two days for local checks, five days for checks written by out-of-state organizations and 11 days for checks for more than \$5,000. Under Maloney's bill, banks would have to make funds available to consumers who deposit a check of up to \$7,500 within two business days. The measure also includes several other changes designed to reduce instances in which checks bounce.

So far it is unclear whether banks will lobby aggressively against the measure. Some banking groups have spoken publicly against Maloney's measure. Others have expressed general support for re-examining Check 21.

"We welcome the discussion of any new law that helps consumers," said Howard Headlee of the Utah Bankers Association. "As of right now, most banks make funds available on the day of the deposit or the day after. I'm confident the banks would welcome any new regulations that would be beneficial for consumers."

Banks staunchly supported the original Check 21 legislation because, over time, it will do away with one of the most popular consumer cash-management strategies ever - the float. Writing a check and not depositing sufficient funds until a day or two later always has been against the rules, but many people did it anyway - and got away with it.

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