
EFAA was enacted to “make deposited check funds available sooner,” not to “prevent check deposit losses.”

The Expedited Funds Availability Act (EFAA) is essentially a “*deposited check funds availability law*” and not a check deposit *loss prevention* law. The EFAA is very effective at achieving its true purpose: making funds from checks drawn on other institutions taken for deposit by your credit union available to your member-depositors sooner. However, it *does not* comprehensively help your member-depositors and credit union prevent check deposit losses. Specifically, the EFAA does not address any of the check deposit loss problems listed below, and any of these problems could cost your member-depositor and credit union millions of dollars in losses and tens of thousands of dollars in costs on any check drawn on another institution taken for deposit by your credit union.

1. The EFAA **does not protect** your member-depositors *from any actual* check deposit **losses**. In fact, it increases your member-depositors’ exposure to all actual check deposit losses.
2. The EFAA may protect your credit union against **one-third** of all actual check deposit **losses** (assuming *all* your employees know the *correct* “actual reason” that a “check deposit funds hold” will prevent a loss), but it does not protect it from two-thirds of actual check deposit losses. And even when a hold protects your credit union against an actual loss, it does not cover your credit union’s costs for managing the check if the member-depositor cannot reimburse your credit union for all its check management costs.
3. The EFAA only addresses **two** of the four options your credit union has to **manage** checks offered by member-depositors (though one option is barely mentioned), and it *does not* help your credit union manage these two options consistently, objectively and beneficially for your member-depositors. These omissions expose all your member-depositors and credit union to very large check deposit losses.
4. The EFAA provides **no notices** for your credit union’s three other important options to consistently, objectively and beneficially manage other institutions’ checks offered by your member-depositors. These omissions expose all your member-depositors and credit union to very large check deposit losses.
5. The EFAA’s hold notices provide *no explanation* why your credit union’s **hold option** on the funds of a deposited check are objectively **beneficial** to your member-depositor.
6. The EFAA provides **no due diligence** guidance when holds are placed on the funds of a check taken for deposit. This exposes your member-depositors and credit union to very large check deposit losses.
7. The EFAA provides *no guidance* to consistently and objectively **evaluate** other institutions’ checks offered by member-depositors for potential loss problems, which exposes all your member-depositors and credit union to very large check deposit losses.
8. The EFAA provides *no guidance* on all **options** to consistently and objectively **manage** all checks offered by member-depositors once a check has been evaluated and a potential loss problem has been identified, which exposes all your member-depositors and credit union to very large check deposit losses.
9. The EFAA provides *no guidance* to further objectively **limit losses** once another institution’s check taken for deposit has come back to your credit union for a loss problem, which exposes all your member-depositors and credit union to very large check deposit losses.
10. The EFAA offers **no comprehensive explanation** of the **incredibly valuable**, consistent and objective **service** your credit union provides to all members in managing other institutions’ checks offered for deposit to beneficially attempt to protect those member-depositors from check deposit losses.

As seen on Page 2 (below) the **Check Deposit Notice Generator** addresses **all** these problems by providing your employees with an objective and consistent solution to prevent losses on check offered for deposit, which is beneficial to both your members and credit union daily and annually!

If the CDNG prevents *one* check deposit loss (or one call to a lawyer), it’s paid for itself *annually!*

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