

# Cheque Hold Period & Access to Funds Policy



## Our Policy

When you open a personal deposit account with Community Trust Company ("CTC"), our "Hold Funds Policy" may impact your day-to-day banking with us. For the purpose of this policy, the term "cheque" also includes certified cheques, bank drafts, money orders and other instruments.

"**Holding funds**" means that when you deposit cheques at the CTC head office, the funds may appear in your account at the time of deposit. However, you may not be able to access the full amount of the funds from that deposit immediately while the hold period is active.

## Why Do We Have Hold Periods?

The reason we have a hold funds policy is that a cheque is not the same as cash. It is a promise to pay by one party to another party. If the first party doesn't have sufficient funds in their account at another financial institution, or if the cheque is fraudulent, that other financial institution can refuse to pay the item and return it unpaid to us. A hold period allows sufficient time for us to verify that the promise to pay can be carried out, i.e. that funds will be available from the other financial institution to pay the item. Note that a cheque can be returned unpaid by the financial institution during or after the hold period due to valid reasons (e.g. insufficient funds, closed account or stop payment order). In this case, CTC has the right to charge or reverse the amount of cheque back from your account.

## How Long Are Funds Held?

The length of the hold period for cheques depends on the currency, amount of the cheque and other factors. For a cheque in Canadian funds drawn on a financial institution's branch located in Canada, the normal length of time CTC will hold funds is between 4 to 7 business days after the day of deposit, depending on the cheque amount. In both cases, the first \$100 of the cheque is available for customer withdrawal immediately. The maximum hold periods are as follows:

Canadian Funds Cheque Amount	Method of Deposit	Maximum Hold Period	Availability of First \$100 of Each Cheque Deposit
\$1,500 or less	In person at CTC Head Office	4 business days* after day of deposit	Immediately
Over \$1,500	In person at CTC Head Office	7 business days* after day of deposit	Immediately
New Accounts	In person at CTC Head Office	7 business days* after day of deposit	Immediately

\* Business Days do not include Saturday, Sunday or Statutory Holidays

## **Non-Canadian Funds Cheques**

For cheques in non-Canadian funds drawn on a financial institution's branch located in Canada, the normal length of time we will hold funds is 10 business days. The maximum hold period is 20 business days.

For non-Canadian funds, cheque drawn on a financial institution's branch located outside of Canada, the normal length of time we will hold funds is 15 business days. The maximum hold period is 30 business days.

## **Access to the First \$100 of Each Cheque Deposited**

The first \$100 of each cheque deposited by consumers to a personal deposit account will be made available for withdrawal immediately, if deposited in person. Please see the chart above for details.

## **Exceptions or Restrictions on Access to the First \$100 Funds**

We may extend the maximum hold periods or limit access to the first \$100 of each cheque deposited in some circumstances, including, but not limited to, situations where:

- CTC has reasonable grounds to believe that the deposit is being made for illegal or fraudulent purposes in relation to an account;
- An account has been open for less than 90 days;
- The cheque:
  - Is not encoded with magnetic ink character recognition or is not readable by operational systems (for example, if damaged or mutilated);
  - Has been endorsed more than once is deposited 6 months or more after the date of the cheque.

The hold period under these circumstances is estimated to be 30 business days and could be longer for cheques in non-Canadian funds drawn on a financial institution's branches located outside of Canada.

## **Contact Details**

Should you have questions or concerns on CTC's Cheque Hold and Access to Funds Policy, please refer to CTC's Customer Complaint Handling policy posted at [www.communitytrust.ca](http://www.communitytrust.ca).