



Check 21

Frequently Asked Questions

A new federal law, The Check Clearing for the 21st Century Act, or more commonly referred to as Check 21 – necessitates some changes in the way your paid checks are handled. The Act is designed to cut costs and increase efficiencies by streamlining the check clearing process. As a result, customers who receive cancelled checks in their monthly checking account statements or anyone who requests a copy of a check will notice that some of their checks look different.

The changes brought on by Check 21 will improve check collection making it faster, more efficient for clearing and posting check payments. Financial Institutions will be able to send digital images of checks electronically, eliminating the need to physically transport paper checks between banks.

What does Check 21 do?

Check 21 will create a more efficient check processing system, without changing the way consumers write checks. It simply creates a new legal document, called the “substitute check,” which can be used for proof of payment or for any other reason that might require an original cancelled check. Beginning October 28, 2004, some of the checks or check copies you receive from us may be substitute checks.

What exactly is a “substitute check”?

A substitute check is a legal document, with all the rights and obligations given the original check written from your checkbook. Substitute checks are paper copies created from electronic images of original paper checks (front and back, with all endorsements). Each substitute check includes a statement identifying it as a legal copy of the original check.

What is the benefit of a substitute check?

The traditional system for processing checks was very costly and time consuming. Because the checks had to be physically transported between locations, any disruption to our nation’s transportation system could delay the check clearing process. Furthermore, electronic transmission will virtually eliminate the possibility of checks being lost, stolen or destroyed.

Is there anything I should be aware of when making deposits?

Making your deposits at one of our convenient locations before 3:00 p.m. will ensure your deposit is credited on the current business day. Deposits made after 3:00 p.m. may not be credited until the next business day.

How does Check 21 affect my account?

With the checks you write clearing more quickly, funds may be removed from your account sooner; this may cause your account to be overdrawn, and overdraft fees could apply. To avoid this, make sure there are sufficient funds in your account to cover all the checks you have written including automatic withdrawals from your account. This requires diligent account balancing on your part because the amount of time between when a check is written and when the funds are actually debited from the account will be greatly reduced.

What if there’s an error involving a substitute check?

Review your monthly checking account statements and contact us immediately if you suspect an error. Please refer to our disclosure statement; it contains more precise details on provisional recrediting in cases of errors involving substitute checks. The expedited recredit process applies only to consumers.

How will my check statements be affected?

If you do not currently receive your cancelled checks back, your account statement will remain the same. It will continue to list your checks sequentially by number. However, if you previously received your cancelled checks along with your account statement, you may receive a combination of actual cancelled checks and substitute checks.

What if I need a copy of my cancelled check?

For decades, the IRS, landlords, merchants and others have accepted copies and images as proof of payment. This practice will remain the same. You may encounter situations where you may have to present the original check. In this case, you may receive a copy of your original check or a substitute check that will serve as your legal document. You may view or print copies of your cancelled checks on Bank Online, our online banking system. Otherwise, you may contact us to obtain a copy.

Do all copies created from check image files qualify as substitute checks?

No, only images that meet the “substitute check” requirements qualify. Typical check image statements are not considered substitute checks.

What happens to my original check?

After converting your check to an electronic image/substitute check, the institution that converted it may destroy the original paper check. The electronic image/substitute check is then processed through the payment system as your paper check would have been. Since a substitute check is a legal copy of your original check, there is no need to save the original.

Will I be charged extra for this electronic check conversion?

No. At this time we are anticipating no additional charges for the electronic processing of your check as a result of Check 21.

Will Check 21 help fight check fraud?

Yes. Fewer individuals will come into contact with your information during the check clearing process because Check 21 allows your original check to be physically removed from the system. The minimized need for human contact will greatly reduce your potential exposure to identity theft. Rest assured that electronic transmission of check data will be securely safeguarded. This enhancement will reveal fraudulent activity much sooner. The earlier criminal activity is revealed, the greater the likelihood of catching the individual illegally using your account.

Shaped by the past, focused on the future.



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