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CHECK 21 REGULATIONS FOR CONSUMER DISCLOSURES

Dear Banker:

ABA's newest statement stuffer **"Substitute Checks and Your Rights,"** contains Federally-developed and approved model language meeting bank regulatory requirements for substitute check policy disclosures (*ref: section 229.57*). The model language is contained in the Federal Reserve System's Final Regulation governing the *Check Clearing for the 21st Century Act*.

The Federal Reserve's new **Check 21** final regulations include a notice for consumer customers about substitute checks.

This notice is required for all banks whose consumer customers will receive substitute checks. While banks providing image statements, rather than substitute checks, need not provide this notice, all banks must provide the notice each time they return a substitute check to a consumer customer.

More specifically, when is the notice required?

1. If your consumer customers receive original checks and may also receive substitute checks, as defined by the regulations.
2. If a consumer customer receives a returned substitute check. Note: The notice must be provided with each returned substitute check.
3. If a bank provides a substitute check at the request of a consumer customer. Note: The notice must be provided in each instance.

Keep in mind that if your bank does not provide original checks with customer statements, the notice is not required (even if the image statement contains an image of a substitute check). However, notices must still be provided each time a substitute check is provided upon request and each time a returned substitute check is provided.

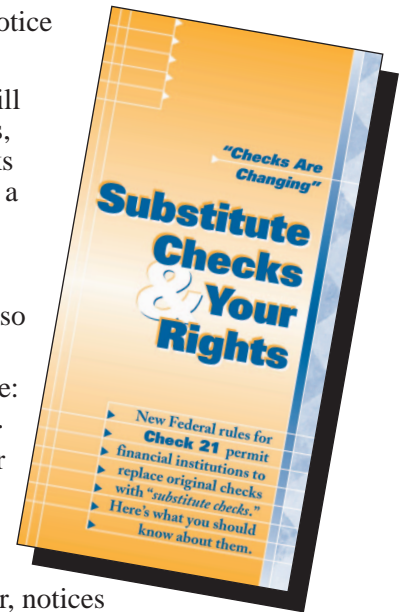
The federal model disclosures suggest that you should provide specific information to consumers to facilitate claims for expedited refunds: Bank name, address, phone number, email address. **Personal imprinting is available to meet this requirement.** See the Order Form for more details.

Order **"Substitute Checks and Your Rights,"** today and begin the mandatory notification process to guarantee that your bank meets the Federal disclosure deadlines!

For specific questions about **Check 21**, contact Nessa Feddis, ABA senior counsel, at nfeddis@aba.com or 1-800-BANKERS. ABA also offers help and information online. Go to aba.com and click on *"Check 21 Resource Center"* to learn more.

Cordially,

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