

**From:** "Al Williams" <al.williams@ameriana.com> on 02/27/2004 09:40:55 AM  
**Subject:** Availability of Funds and Collection of Checks

Ms. Jennifer J. Johnson

Secretary, Board of Governors of Federal Reserve System

20<sup>th</sup> Street and Constitution Ave. N.W.

Washington, D.C. 20551

Ms. Johnson and Board of Governors:

Pease excuse my lack of knowledge of format or protocol issues in providing comment on proposed regulations. This is my first time commenting.

I wish to comment on two issues pertinent to docket number R-1176. I believe that clarification is required relative to the two issues identified below. Clarification would benefit both financial institutions and consumers. My comments follow.

**Re: Check 21 Act Section 7 Expedited Recredit for Consumers (a)(2) 40-Day Period**

There may be a valid reason for selecting forty days as the amount of time that a consumer has to submit a claim for a transaction that he/she believes is in error. I believe the customer should have adequate opportunity to make such claim and those forty days represent an adequate period of time. My concern is that Reg E. Error Resolution (Sec. 1693f (908)) allows sixty days to notify, and it is my feeling that consumers (and occasionally financial institution personnel) may confuse the two regulatory time frames. I would recommend that either the forty day period be amended to sixty days to parallel Reg E., or that Reg. E. be amended to parallel Check 21's time frame of forty days.

**Re: Check 21 Act Section 12 Consumer Awareness (c) Model Language**

It is plainly stated in (c)(2)(B)(3) that a bank is not required to use the proposed model language. However, many institutions choose to use model language because it is deemed "safer." The model language (C-5A), **Substitute Check Policy Disclosure**, is very good with the exception of the parenthetical text in the last sentence of the paragraph entitled **How to Make a Claim for an Expedited Refund**. The parenthetical text could be construed as ambiguous and will likely put a bank and consumer at odds. The term **long** is open to interpretation, and potentially will put a bank and a consumer at odds. For example, a consumer who frequently travels for extended periods of time averaging two weeks may think that a long trip is four to six weeks while the bank may interpret the word,

long, to be one or two weeks. With automated telephone access systems, internet banking, etc. can that still be a "good" excuse? I can understand that an extended hospital stay might be reason for extension. Again the question becomes the length of stay and does the extension apply to the consumer only, or does it also include immediate family members? I would rather the sentence in the model language read: **"If there is a good reason (determined through discussion with a bank officer) that you cannot make your claim by the required day, we may give you additional time."** This wording gives the bank and consumer more latitude however; many pro-consumer groups would probably say that a bank will never give a consumer a break.

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