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eNews Headline: Under Reg. CC, Do We Use Banking Day or Business Day? What is the Difference?

Question: We are going through some additional Reg CC training here at the bank in preparation for the upcoming July 1 rule changes and have a question to get some clarification on. The language regarding delaying availability of funds states something to the effect of funds being made available on the ____ business day after the “day of deposit.” That wording referred to as “day” and/or “banking day,” and so the question comes when a deposit is made on a Saturday. If a hold decision is made when a customer makes the deposit on a Saturday, do the days start counting from that physical date, even though the processing date for a Saturday would be the following Monday (or Tuesday if Monday was a holiday)?

Answer: Regulation CC includes a definition (and reference) for both ‘banking day’ and ‘business day.’ But the definition of ‘banking day’ defines it as a ‘business day’ which is a day other than Saturday, Sunday, or a listed holiday.

...snip

(f) Banking day means that part of any business day on which an office of a bank is open to the public for carrying on substantially all of its banking functions.

(g) Business day means a calendar day other than a Saturday or a Sunday, January 1, the third Monday in January, the third Monday in February, the last Monday in May, July 4, the first Monday in September, the second Monday in October, November 11, the fourth Thursday in November, or December 25. If January 1, July 4, November 11, or December 25 fall on a Sunday, the next Monday is not a business day.

Source [link](#).

Translation - a ‘banking day’ means a ‘business day,’ and a ‘business day’ means any day other than Saturdays, Sundays and the ten listed holidays. Those days would never be a ‘banking day’ for the purposes of Regulation CC.

When calculating the hold days, always begin counting day one (1) on the first ‘business day’ day following the day of deposit.

For example, if a check for \$2500.00 is being placed on a Case by Case Hold and the deposit is accepted on a Saturday, the hold will be placed for two (2) business days and the hold schedule would look like the following:

Saturday Day of Deposit - Monday is the first 'business day' following the day of deposit - Tuesday is the second 'business day' following the day of deposit.

The funds from this deposit would be available to the customer for withdrawal on the opening of business on Wednesday.

If Monday was a listed holiday, the hold schedule would look like the following:

Saturday Day of Deposit - Tuesday is the first 'business day' following the day of deposit - Wednesday is the second 'business day' following the day of deposit.

The funds from this deposit would be available to the customer for withdrawal on the opening of business on Thursday.

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