

	<b>Title:</b>	<b>Funds Availability Policy (Regulation CC)</b>
	<b>Owner:</b>	<b>Chief Executive Officer</b>
	<b>Approved By:</b>	<b>Chief Compliance Officer</b>
	<b>Effective Date:</b>	<b>12/08/2022</b>
	<b>Last Revision/Approval Date:</b>	<b>7/11/2024</b>

# Funds Availability Policy

## Overview

It is the policy of Paybotic Financial (“Paybotic Financial” or the “Company”) to comply with the Expedited Funds Availability Act (“EFAA”) and its implementing Regulation CC, which are applicable based on Paybotic Financial’s offering of deposit transaction accounts through its relationship with Regent Bank (the “Bank”).

The regulation sets forth the requirement that depository institutions make funds deposited into transaction accounts available according to specified time schedules and that they disclose their funds availability policies to their customers, and Paybotic Financial complies with these requirements on behalf of the Bank.

## Scope

This Policy applies to Paybotic Financial executive management, employees, and third-party service providers.

## Key Definitions

- A. Account. An account is a “deposit” (as defined in Executive Leadership Team’s Regulation D, in 12 CFR 204.2(a)(1)(i)) that is a “transaction account” (as defined in 12 CFR 204.2(e)). “Account” encompasses consumer and corporate accounts and includes accounts from which the account holder is permitted to make transfers or withdrawals by any of the following:
- Negotiable instrument
  - Payment order of withdrawal

- Telephone transfer
- Electronic payment

B. Business and Banking Days.

- A business day is any day except Saturday, Sunday, and a legal holiday (standard Federal Reserve holiday schedule).
- A banking day is a business day on which a bank is open for substantially all its banking activities. Even though a bank may be open for regular business on a Saturday, that day is not considered a banking day for purposes of Regulation CC because Saturday is never a “business day” under the regulation. The fact that one branch is open to the public for substantially all its banking activities does not necessarily mean that specific day is a banking day for the other branches of the bank.

C. Electronic payment. A wire transfer or an ACH credit transfer.

D. Government Checks. U.S. Treasury checks, USPS money orders, state and local government checks, and checks drawn on a Federal Reserve Bank or an FHLB.

E. New Account. The first thirty calendar days an account is open, beginning on the date the account is established (an account is not considered “new” if each customer on the account has had, within thirty calendar days before the account is established, another account at the Company for at least thirty calendar days).

## Responsibilities

### Executive Leadership Team

The Executive Leadership Team is ultimately responsible for the Company’s compliance with applicable regulations, as well as setting an appropriate culture of Compliance throughout the organization and ensuring compliance functions have the appropriate level of staffing, prominence and authority throughout the organization. Executive Leadership Team will receive periodic reporting from Compliance including any issues or updates related to Regulation CC.

### Chief Compliance Officer

The Paybotic Financial Compliance Officer, or appointee, is designated by the company and is responsible for owning, maintaining and enforcing this Policy. The Compliance Officer will institute proper controls that ensure the requirements of this Policy are followed. Additionally, the Compliance Officer identifies and ensures Company managers and employees who are affected by this Policy are made aware of its requirements. The Compliance Officer will review and approve this Policy annually, or more frequently if regulatory changes take place or the Company makes changes to its products or processes.

## Business Owners and Operational Managers

Business owners and operational managers are responsible for implementing and maintaining processes to meet the requirements outlined in this Policy. Business owners and operational managers should review and understand this Policy; complete all assigned training related to Regulation CC; escalate any identified issues or errors to Compliance upon discovery; and develop and implement corrective action plans where necessary to address audit findings or compliance issues.

## Policy Requirements

This Policy outlines availability and disclosure requirements under Regulation CC. However, it should be noted that Paybotic Financial only permits the following types of deposits:

- ACH transfers
- Direct deposit
- Mobile remote deposit checks with exceptions noted below
- Cash made via our cash logistics service

Paybotic Financial does not accept the following types of deposits:

- Deposits made in cash that is sent to the Bank instead of through a cash in transit service for commercial customers;
- ATM deposits; or
- Personal checks, cashier's checks, money orders, foreign currency

## Funds Availability

It is Paybotic Financial's policy to make funds available based on requirements set forth under Regulation CC.

Paybotic Financial generally allows same-day availability for electronic direct deposits. Cash received via cash in transit services for commercial customers are available on the date of receipt at the bank. Deposits made through mobile remote deposit checks are made available in 5 business days or less. ACH transfers from linked external accounts may take up to five business days from the date the transfer was initiated.

## Exceptions

It may be determined by Paybotic Financial that a delay in the ability to withdraw funds is necessary, and a deposit hold past the days noted above is placed. In such a case, the funds will generally be available within 5 to 7 business days.

While this is Paybotic Financial's general policy, there are other exceptions that may exist as set forth in the regulation, for the following situations:

- New accounts
  - These are exempted from the availability schedules for deposits of local checks. However, next-day availability is required for electronic payments.
  - The first \$5,525 of a day's aggregate deposits of government checks (including federal, state, and local governments), cashier's, certified, teller's, depository, or traveler's checks (as of time of deposit) must be given next-day availability. The amount in excess of \$5,525 must be made available no later than the ninth business day following the day of deposit.
- Large deposits
  - A hold may be applied to the amount in excess of \$5,525 on any one day
- Checks that have been returned unpaid and are being redeposited
  - The Company may delay the availability of funds from a check if the check had previously been deposited and returned unpaid
  - Note, this exception does not apply to checks that were previously returned unpaid because of a missing endorsement or because the check was post dated when presented
- Deposit to accounts that have been repeatedly overdrawn
  - The customer's account may be considered repeatedly overdrawn if:
    - On six or more banking days within the preceding six months, the account balance is negative, or the account balance would have become negative if checks or other charges to the account had been paid; or
    - On two or more banking days within the preceding six months, the account balance is negative, or the account balance would have become negative, in the amount of \$5,525 or more, if checks or other charges to the account had been paid.
- Cases in which the Company has reasonable cause to believe the check being deposited is uncollectible
  - The basis for reasonable cause may include, for example, communication with the paying bank indicating that:
    - A stop-payment order has been placed on the check
    - There are insufficient funds in the drawer's account to cover the check
    - The check will be returned unpaid
  - The reasonable-cause exception may also be invoked in cases in which
    - The check was deposited six months after the date of the check (stale date)
    - The check was postdated (future date)
    - The depository bank believes that the depositor may be engaged in check kiting
    - The depository bank has other confidential information, such as the insolvency or pending insolvency of the customer
  - The reasonable-cause exception may not be invoked because of either
    - The race or national origin of the depositor or

- The fact that the paying bank is located in a rural area and the depository bank will not have time to learn of nonpayment of the check before the funds have to be made available under the availability schedules in place.
- Emergency conditions
  - An interruption of communications or computer or other equipment facilities; or
  - Suspension of payments by another depository institution, war, or an emergency condition beyond the control of the depository bank.

## Notice of Exceptions

If Paybotic Financial invokes one of the exceptions to the availability schedule (except new-account exception), the customer will be provided a written notice which will include the following:

- The customer's account number;
- The date of the deposit;
- The amount of the deposit that will be delayed;
- The reason why the exception was invoked; and
- The day the funds will be available for withdrawal (unless unknown due to emergency situation).

This notice will be delivered to the customer no later than the business day following the banking day of deposit.

## Disclosures of Funds Availability

Paybotic Financial complies with the availability disclosure requirements of Section 229.16(b) by including the availability schedule in the Paybotic Financial Funds Availability Policy.

Additionally, Paybotic Financial will comply with Section 229.18(d) by providing the above Funds Availability schedule upon request. Finally, Paybotic Financial will comply with Section 229.18(e) by notifying consumers at least 30 days prior to a change to the availability schedule with an adverse impact or within 30 days after the change if it results in faster availability.

## Monitoring and Testing

Paybotic Financial will ensure that compliance with EFAA requirements is independently monitored on an ongoing basis. Reporting of the results will be maintained and reported to Executive Leadership Team.

## Training

Employees of the Company determined to have a job function impacted by EFAA requirements will receive training at least annually.

## Record Retention

Certain requirements under Regulation CC specifically require Paybotic Financial to maintain evidence of compliance for at least two years. This includes notices required when a “reasonable cause” exception is invoked.

## Policy History

The history of this document is outlined in the table below.

<b>Date of Action</b>	<b>Responsible Party</b>	<b>Description of Policy Action</b>
7/11/2024	Chief Compliance Officer	Updated language to add Cash made via our cash in transit service as an acceptable type of deposit
2/29/2024	Chief Compliance Officer	Reviewed and updated <ul style="list-style-type: none"><li>- Removed mentions of the Board and replaced them with Executive Leadership Team</li></ul>
12/08/2022	Head of Compliance	First version published

# Reg CC Funds Availability Reference Aid

## 7/1/2020

Types of Deposited Items	Deposited In a Payee's Account				Deposited in Foreign ATM 5 day*
	Yes (i.e., check payable to Mbr/Acct Hldr)		No (i.e., check not payable to Mbr/Acct Hldr)		
	In Person	Not in Person	In Person	Not in Person	
Cash	Next Day Avail.	2 Day	NA, follow holds to the left		

Types of Deposited Items	Deposited In a Payee's Account				Deposited in Foreign ATM NA NA
	Yes (i.e., check payable to Mbr/Acct Hldr)		No (i.e., check not payable to Mbr/Acct Hldr)		
	In Person	Not in Person	In Person	Not in Person	
Electronic Deposits - Wire	Next Day Availability		NA, follow holds to the left		
Electronic Deposits - ACH	SAME Day actually received		NA, follow holds to the left		

Types of Deposited Items	Deposited In a Payee's Account				Deposited in Foreign ATM 5 day* No Max 5 day up to \$5525 11 day > \$5525 11 day
	Yes (i.e., check payable to Mbr/Acct Hldr)		No (i.e., check not payable to Mbr/Acct Hldr)		
	In Person	Not in Person	In Person	Not in Person	
On Us < \$5525	Next Day Availability up to \$5525			5 day*	
New Account	\$0 Next Day, No Maximum hold			No Max	
Large Deposit > \$5525	On amounts up to \$5525, Next Day Availability Only on amounts >\$5525, 2 day			5 day up to \$5525 11 day > \$5525	
Redeposited Items (A)	\$0 Next Day, 2 day			11 day	
Repeat Overdraft Acct (B)					
Reasonable Cause					
Emergency Condition**	\$0 Next Day, No Limit				

Types of Deposited Items	Deposited In a Payee's Account				Deposited in Foreign ATM 5 day* No Max 5 day up to \$5525 11 day > \$5525 11 day
	Yes (i.e., check payable to Mbr/Acct Hldr)		No (i.e., check not payable to Mbr/Acct Hldr)		
	In Person	Not in Person	In Person	Not in Person	
Regular Checks < \$5525	Next day \$225, 2nd day \$450 cash by 5PM, 3rd day remainder up to \$5525.			5 day*	
New Account	\$0 Next Day, No Maximum hold			No Max	
Large Deposit > \$5525	On amts up to \$5525, Next day \$225, 2nd day \$450 cash by 5PM, 3rd day remainder to \$5525. Only on amounts >\$5525, 1 day			5 day up to \$5525 11 day > \$5525	
Redeposited Items (A)	\$0 Next Day, 7 day			11 day	
Repeat Overdraft Acct (B)					
Reasonable Cause					
Emergency Condition**	\$0 Next Day, No Limit				

Types of Deposited Items	Deposited In a Payee's Account				Deposited in Foreign ATM 5 day* No Max 5 day up to \$5525 11 day > \$5525 11 day
	Yes (i.e., check payable to Mbr/Acct Hldr)		No (i.e., check not payable to Mbr/Acct Hldr)		
	In Person	Not in Person	In Person	Not in Person	
US Treasury Checks < \$5525 R I I N begins with "0000"	Next Day Avail. up to \$5525		Next Day \$225, 2nd day \$450 cash by 5pm, 3rd day remainder up to \$5525		5 day*
New Account	Next Day up to \$5525, 9 day on amounts > \$5525		0\$ Next day No Max hold		No Max
Large Deposit > \$5525	On amounts up to \$5525, Next Day Avail.		Next Day \$225, 2nd day \$450 cash by 5pm, 3rd day remainder up to \$5525		5 day up to \$5525 11 day > \$5525
Redeposited Items (A)	\$0 Next Day, 7 day			11 day	
Repeat Overdraft Acct (B)					
Reasonable Cause					
Emergency Condition**	\$0 Next Day, No Limit				

Types of Deposited Items	Deposited in a Payee's Account				Deposited in Foreign ATM
	Yes (i.e., check payable to Mbr/Acct Hldr)		No (i.e., check not payable to Mbr/Acct Hldr)		
	In Person	Not in Person	In Person	Not in Person	
<b>US Postal Money Orders</b> Max Domestic = \$1000 Max Foreign = \$700 <b>Gov't (state or local)</b> <b>FRB or FHLB</b> <b>Cashiers, Teller, Certified</b>	Next Day Avail. up to \$5525	\$225 Next Day, 2 day on remainder up to \$5525	Next Day \$225, 2nd day \$450 cash by 5pm, 3rd day remainder up to \$5525		5 day*
New Account	Next day up to \$5525	\$0 Next Day 2 day up to \$5525 9 day on amt > \$5525	\$0 Next day No Max hold		No Max
Large Deposit > \$5525	Next Day up to \$5525	\$225 Next Day, 2 day on rest up to \$5525	Next Day \$225, 2nd day \$450 cash by 5pm, 3rd day remainder up to \$5525		5 day up to \$5525
Redeposited Items (A)	Only on amounts >\$5525, 7 day				11 day > \$5525
Repeat Overdraft Acct (B)	\$0 Next Day, 7 day				11 day
Reasonable Cause					
Emergency Condition**	\$0 Next Day, No Limit				

\*Note that 229.12(d) allows hold on Foreign ATM deposits to be extended by 1 day beyond the 5 if \$450 cash available by 5PM on 5th day.

\*\* Emergency condition = interruption of communication, computer, weather delay, or other conditions beyond our control.

(A) Repeated Items - exception does not apply if the check is corrected for missing endorsement or post dated check now good

(B) Repeated Overdraft Account = in the past 6 mo's the account was negative 6 days or had a negative balance of at least \$5525 two days

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