

Hold Funds Policy

When you open a personal or small business deposit account with us, you may be impacted by our hold funds policy. Holding funds means that when you deposit cheques, drafts, certified cheques, money orders, orders for payment, coupons, promissory notes, or other bills of exchange (*each an Instrument*) in-branch, through our mobile app, or ATM, you may not be able to access the full amount of the funds from that deposit immediately.

The reason we have a hold funds policy is that a cheque is not the same as cash - it is a promise to pay by one party to another party. If the first party doesn't have sufficient funds in their account at another financial institution, or if the cheque or Instrument is fraudulent, the other financial institution can refuse to pay the item and return it unpaid to us. A hold period allows sufficient time for us to verify that funds will be available to pay the item.

Cheque cashing is essentially a credit decision. If we credit your account right away with the full amount of the cheque or other Instrument, we are granting you credit for that amount until we can verify that the promise to pay can be carried out. If the promise to pay is broken, we will need to recover the funds from you, as we would for any other loan given to you.

As it is a credit decision, **our hold funds policy is applied differently for each customer.** We'll determine your deposit hold limits when we issue you your first debit card. Deposit hold limits determine **how much** of any deposit will be subject to a hold. We will assess your creditworthiness in setting your hold limits by considering several factors including your credit history, the length of time you have banked with us, and your existing accounts with us. We will review and may adjust your deposit hold limits from time to time.

If your deposit is subject to a hold, the full amount of the deposit will be reflected in your account balance right away. However, your ability to access **all** funds ("full hold"), or a **portion** of them ("partial hold"), will be restricted.

We may at any time advise you that we are placing a full or partial hold on a cheque or other Instrument presented by you, whether you have been given deposit hold limits or not. That decision will depend on the following with respect to the cheque or other Instrument:

- the amount and the issuer,
- the institution on which it has been drawn,
- its characteristics,
- your deposit hold limits (if any), and
- the amount of funds already in your account.

When funds are deposited to your account, via Direct Deposit programs where available, no hold is placed on the money deposited because it is credited directly to your account.

The following illustrates how long it may take for you to get access to your funds after you deposit a cheque (maximum hold period):

Cheque Amount/ Deposit Type	In-Person Deposit	Digital or ATM Deposit
\$1,500 or less	4 business days	5 to 8 business days*
More than \$1,500	7 business days	8 business days
Cheques issued in USD on a Canadian financial institution	5 business days	Not applicable
Cheques drawn on a US financial institution	20 business days	Not applicable
Cheques drawn on an international financial institution	30 business days	Not applicable

* Members who open an account online are restricted to an 8-day hold period for the first 90 days after account opening. After the 90 days, the hold will be 5 business days.

Important Notes:

A business day means Monday to Friday unless one of those days is a statutory holiday. The hold periods **do not include** the day you deposit the cheque.

We may make the maximum hold period longer if:

- a. we have reasonable grounds to believe there may be illegal or fraudulent activity in relation to the account,
- b. if the date on the cheque is more than 6 months prior to the day you deposit it to your account, or
- c. if a cheque was drawn on a foreign financial institution and payment from the cheque has not been received by us from the foreign financial institution within the initial maximum hold period.

When we give you access to your funds after the hold period, it does not mean that the cheque cannot be returned for another reason. If it is returned, we may collect the amount of the cheque from your account.

If you have any questions about hold periods, call us at **1.866.446.7001** and we'd be happy to help you.

1 The maximum hold period does not apply to a deposit account of a Small Business Banking customer with authorized credit of less than \$1 million if we have reasonable grounds to believe that there is a material increased credit risk.

2 These hold periods are estimates and apply where we have credited the funds to your account. We may extend such hold periods if payment for the cheques or other Instruments has not been received by us from the U.S. or foreign financial institution within that initial maximum hold period.