

Summary of Reg CC Inflation Adjustment Requirements- Hold Requirements

Back in 2010, the Dodd-Frank Act made certain amendments to the Expedited Funds Availability (EFA) Act which were effective on July 21, 2011. These amendments required regular inflation adjustments to certain hold thresholds found in Regulation CC. The 2019 final rule has made the first inflation adjustment in Regulation CC effective on July 1, 2020.

In summary, the July 1 2020 inflation adjustments are going to change four main “thresholds” found in Regulation CC:

- \$200 is changing to \$225 (Note: the \$200 amount is still referred to \$100 in Reg CC). This amount is used on case-by-case holds and will impact most financial institutions.
- \$5,000 is changing to \$5,525. This amount is used on certain special exception holds, such as large deposit holds, new account holds, and repeatedly overdrawn holds. This change will also impact most financial institutions.
- \$400 is changing to \$450. This relates to the rarely used rule that permits financial institutions to extend holds by one business day when a deposit is taken for withdrawal by cash or similar means.
- Civil liability under Regulation CC has been changed from \$1,000 and \$500,000 to \$1,100 and \$552,500 respectively.