Agencies Announce Regulation CC Threshold Adjustments[*]

By way of background, Federal Reserve Board (FRB) Regulation CC (12 CFR Part 229) implements the Expedited Funds Availability Act, 12 USC 4001 *et seq.* (EFA Act), as well as the Check Clearing for the 21st Century Act, 12 USC 5001 *et seq.* (Check 21 Act). Among other things, Regulation CC Subpart B implements the EFA Act's requirements regarding the availability schedules within which banks must make funds available for withdrawal.

A notable development occurred with the Dodd-Frank Act Section 1086(f) amendment to the EFA Act, mandating that dollar amount thresholds set by the EFA Act be adjusted every five years following December 31, 2011, based on the annual percentage increase in the Consumer Price Index. On May 13, 2024, the FRB and CFPB jointly published a final rule (89 FR 43737) that will increase the Regulation CC threshold amounts, effective July 1, 2025.

Regulation CC Subpart B contains the following availability schedule provisions. These provisions, as well as the current and new threshold amounts for each, are outlined below.

1. The minimum amount of deposited funds that banks must make available for withdrawal by opening of business on the next day for certain check deposits (Minimum Amount). See 12 CFR 229.10(c)(1)(vii)). The Minimum Amount is currently $225. **Effective July 1, 2025, the Minimum Amount threshold will increase to $275**.

2. The amount a bank must make available when using the EFA Act's permissive adjustment to the funds-availability rules for withdrawals by cash or other means (Cash Withdrawal Amount). See 12 CFR 229.12(d). The Cash Withdrawal Amount is currently $450. **Effective July 1, 2025, the Cash Withdrawal Amount will increase to $550**.

3. The amount of funds deposited by certain checks in a new account that are subject to next-day availability (New-Account Amount). See 12 CFR 229.13(a)(1)(ii). The New-Account Amount is currently $5,525. **Effective July 1, 2025, the New-Account Amount will increase to $6,725**.

4. The threshold for using an exception to the funds-availability schedules if the aggregate amount of checks on any one banking day exceeds the threshold amount (Large-Deposit Threshold). See 12 CFR 229.13(b). The Large-Deposit Threshold is currently $5,525. **Effective July 1, 2025, the Large-Deposit Threshold will increase to $6,725**.

5. The threshold for determining whether an account has been repeatedly overdrawn (Repeatedly Overdrawn Threshold). See 12 CFR 229.13(d)(2). The Repeatedly Overdrawn Threshold is currently $5,525. **Effective July 1, 2025, the Repeatedly Overdrawn Threshold will increase to $6,725**.

6. The civil liability amounts for failing to comply with the EFA Act's requirements. The civil liability amounts are currently "not less than $100 nor greater than $1,100" for an individual action and "not more than $552,500 or 1 percent of the net worth" of a depository institution for a class action. See 12 CFR 229.21(a)(2)(i). **Effective July 1, 2025, the civil liability amounts will increase to "not less than $125 nor greater than $1,350" for an individual action, and "not more than $672,950 or 1 percent of the net worth" of a depository institution for a class action.**

In a joint statement, the FRB and CFPB explained that the threshold increase compliance date of July 1, 2025 is intended to help ensure that depository institutions have sufficient time to implement the new threshold adjustments. For questions regarding funds availability rules and policies, contact Keith Forrester at **KForrester@ABLawyers.com** or Anne McEvilly at **AMcEvilly@ABLawyers.com**.