



Mansur's Answers

How Check-Holds Protect You From Fraud

Wayne Mansur, President

As President and CEO of Texoma Community Credit Union, I take your financial security very seriously. Each one of our employees works diligently to provide you with the safest ways to handle your finances and to care for you, our valued members.

Counterfeit checks, forged checks and other bad checks are a growing area of concern for our members. You rightly expect us to protect your finances when you deposit or cash large checks, out-of-town checks, or checks resulting from internet activity.

So, how do we protect you?

When you cash or deposit a check, it takes about ten days for a check to clear. During these ten days, *your finances are at risk*. How? If you do not wait until the issuing bank pays the check before you withdraw the money, and if the check is returned unpaid for *any reason*, you are in a very bad situation – *particularly* if you have already spent the money!

I could tell you many, many sad stories of people who wished they had waited ten days before spending the money they *thought* they had. For example:

Case #1. Recently, a dishonest member of this credit union tried to cash a large Merrill Lynch check, supposedly from his 401(k) retirement plan payable on a reputable, well-known bank. Guess what? The check was fraudulent, and if the check had been cashed, your credit union would have lost all of that money.

Case #2. A member cashed a “friend’s” \$2,200 check as a favor. Once the “friend” had the cash in hand, he split. Now, the member has to repay the credit union for that bad check, because she did not want to wait 10 days for the check to clear.

Case #3. Another member received a notice that she had won \$90,000 in a contest! All she had to do was pay the taxes (a paltry sum of \$1,989) to receive her winnings. The letter even enclosed a check for that amount, so she could cash it and mail the taxes back to them. Guess what? Not only did she not get her \$90,000 prize, but she now owes \$1,989 to the credit union for the counterfeit check.

What can you do to help us protect you? When our tellers ask you for information about the check, tell us what you know about it. In each of the cases above, if the members had told us more about the check, we could have protected them from the fraud.

Consider the ten day check clearing period as a vital protection for you and your finances, rather than as an inconvenience. Smart members wait for their checks to clear before spending the cash.

When one of our tellers places a hold on your check, she is looking out for your best interests. Counterfeit checks and frauds have gotten so sophisticated that often the only protection available to you is to wait and see if the check actually clears.

Our vision is to “*improve our members’ financial well being,*” and with your help, we’ll continue to protect your deposits as ***your financial edge!***