

Chapter 11 Written Exercise

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Check 21 is a Federal Law that went into effect in October 28, 2004. This was after the events that took place on September 11, 2001 where there was weakness and all checks were backed up since there weren't any air travel. Check 21 was the solution to the problem. It made a way for banks handle checks electronically. It makes processing easy and efficient and when your bank statement comes back with the cancelled check it is now a substitute check which is a higher quality paper of the original check, it's the legal equivalent of original check. A bouncing check is when the check travels through airplanes and/or trucks to get to the bank that the check is going to. With Check 21 there is no need to do that, the check will be submitted electronically. Check 21 doesn't return your original check to you, it gives the same legal protection when you get the substitute check from your bank. If there is any problems with the check, call the bank immediately and they can help resolve the problem. There is a special process that Check 21 has when you see an error within the substitute check. If you think there is an error on the substitute check upon receiving the check, contacting the bank no more than 40 days.

<https://www.fdic.gov/consumers/assistance/protection/check21.html>

<https://www.digitalcheck.com/what-is-check21/>