



When you open a personal or small business deposit account with us, we will advise you how our "hold funds policy" will impact you in your day-to-day banking. "Holding funds" means that when you deposit cheques, or any bills of exchange, promissory notes, orders for payments of money, securities, notes or other payment instruments (*each an Instrument*) at a branch or when you make **any** deposit through THE GREEN MACHINE[®] automated teller machine, 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 is fraudulent, that 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 the promise to pay can be carried out, i.e. that funds will be available from the other financial institution 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**. The first time you receive your TD Canada Trust Access Card, your initial 'deposit hold limits' will be determined by us - deposit hold limits determine **how much** of any deposit will be subject to a hold. We will assess your creditworthiness in setting your deposit hold limits, by considering several factors including your credit history with us and with other financial institutions, the length of time you have banked with us, and the current status of 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** of those funds ("full hold"), or a **portion** of them ("partial hold"), will be restricted. You will be unable to withdraw money from the funds being held, and we will not pay any of your cheques or pre-authorized debits from those funds, until the funds are released at the end of the hold period. If we determine that the promise to pay is broken, we will promptly proceed to debit the amount of the cheque or other Instrument from your account. Until you have established a satisfactory long-term relationship with us, it is likely that your deposits may be subject to a full or partial hold.

We may at any time advise you that we are placing a full or partial hold on a particular cheque or other Instrument presented by you, whether or not you have been given deposit hold limits. That decision will depend on the amount and the issuer of the cheque or other Instrument, the institution on which the cheque or other Instrument has been drawn, the characteristics of the cheque or other Instrument being presented, your deposit hold limits (if any), as well as the amount of funds already in your account.

We may also accept cheques or other Instruments from you on a "collection" basis only - this means that the funds will be credited to your account **only** if and when payment for the items has been received by us from the other financial institution.

We would encourage you to enrol in Direct Deposit programs, where available, for funds being deposited to your account, as no hold is placed on the money deposited because it is credited directly to your account.

The duration of the hold period will be for the following number of business days¹:

	Maximum²
Cheques or other Instruments issued in Canadian dollars that are encoded with magnetic ink character recognition, are not damaged or mutilated, are drawn on a Canadian financial institution including TD Canada Trust and deposited to:	
• Accounts opened less than 90 days	5
• Accounts opened greater than 90 days:	
- Cheques up to and including \$1500.00	4
- Cheques greater than \$1500.00	5
Cheques or other Instruments issued in U.S. dollars drawn on a Canadian Financial Institution	5
Cheques or other Instruments drawn on a U.S. financial institution	15 ³
Cheques or other Instruments drawn on a financial institution located outside of Canada or the U.S.	30 ³

We may extend the maximum hold period if we have reasonable grounds to believe there may be illegal or fraudulent activity in relation to the account or if the cheque or other Instrument is dated at least 6 months prior to the date of the deposit.

When does the hold period begin? For in-branch deposits, the calculation of the hold period begins on the first business day following your deposit. For ATM deposits, it begins on the second business day. For example, if the deposit is made in-branch on Monday, the hold period begins on Tuesday. If the deposit was made at the ATM, the hold period begins on Wednesday. For in-branch deposits made on Friday, Saturday or Sunday, the hold begins on Monday; if deposited at the ATM, the hold period begins on Tuesday.

After the expiry of the hold period, you may access the funds. However, our release of the funds to you does not mean that the cheque or other Instrument cannot be returned for another reason. If it is returned after the hold period, we may charge the amount of the cheque or other Instrument to your account.

¹ Business day means Monday to Friday, excluding statutory holidays.

² 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.

³ 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.

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