

Written Exercise – Chapter 11

The Check 21 Act is a federal law that facilitates faster check processing by letting banks handle more checks electronically. The electronic handling of checks does not require the need for physical delivery from the depositing bank to the paying bank. Check 21 has increased the speed of check-processing by providing quicker access to funds. Digitally sorting checks instead of physically sorting checks substantially improved check-processing times.

The Check 21 law was intended to accomplish reduced labor costs, delays, and lower risks linked to the costs of infrastructure. Transporting physical checks requires the need for trucks, fuel, and back-office processing, which are all very expensive. Transporting physical checks also increases the likeliness of mishandling, errors, and lost checks. The law was also intended to improve efficiency and have faster check-processing times. Electronic check processing is a safe and reliable way to process payments. This law also makes reliability for banking systems greater, especially during disruptions like severe weather and transportation issues. The bank's ability to electronically store and access check records makes it easier for banks to maintain records and give better customer service. The Check 21 law benefits consumers and banks by having faster check-processing times, reducing labor and transportation costs, and being more dependable.

Works Cited

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