



# REMOTE/MOBILE DEPOSIT CAPTURE DISCLOSURE

## TERMS OF AGREEMENT

Outlined in this agreement are your rights and responsibilities, as well as those of METRO Federal Credit Union (herein "Credit Union") with regard to Remote Deposit Capture (RDC), which is intended to allow remote deposits into your checking or savings account by scanning checks or electronically transmitting a digital image of your paper check directly to the credit union's designated processor. Original checks are converted to substitute checks, as defined by the Check Clearing for the 21st Century Act. There is currently no fee for this service. Use of RDC constitutes your acceptance of this agreement. You agree to comply with the hardware and software requirements set forth herein. This Agreement is subject to change from time to time. We will notify you of any material change via e-mail, text message, or on our website(s) by providing a link to the revised Agreement or by an online secure message. You will be prompted to accept or reject any material change to this Agreement the next time you use the Service after Credit Union has made the change. Your acceptance of the revised terms and conditions along with the continued use of the Services will indicate your consent to be bound by the revised Agreement. Further, Credit Union reserves the right, in its sole discretion, to change, modify, add, or remove portions from the Services. Your continued use of the Services will indicate your acceptance of any such changes to the Services.

Other agreements you have entered into with Credit Union, including your Membership Agreement, as amended from time to time, are incorporated by reference and made a part of this Agreement.

### Terms and Definitions

Below is a list of terms used within this policy and their definitions. Please contact Credit Union if you need additional assistance understanding the terms of this policy.

**Business Day:** A day in which the credit union is open to conduct substantially all services, not including Saturday, Sunday or Federal Holiday.

**Item:** A check or electronic image of an eligible negotiable instrument.

**Member:** A Credit Union account holder.

**Scanner:** Any device that provides for the capture and transmission of items for processing.

**Substitute Check:** An exact electronic image of the front and back of a check or other negotiable item, which may be submitted electronically for processing. The item must meet the criteria of an Image Replacement Item.

### Confidential Information

You acknowledge and agree that confidential data relating to the services, marketing strategies, business operations, databases, processes, methods, information or documentation disclosed or made available as part of this service (other than those which are, or may become part of public domain), are the exclusive and confidential property of Credit Union. You agree that you are prohibited from disclosing and agree to maintain the confidentiality of our process. In the event of termination or

suspension of service, you will return any and all copies of confidential information which is in your possession. A breach of this confidentiality agreement will result in termination of service and may also result in account closure.

**Limitations of Service.** When using the Services, you may experience technical or other difficulties. We will attempt to post alerts on our website or send you an email to notify you of these interruptions in Service. We cannot assume responsibility for any technical or other difficulties or any resulting damages that you may incur. Some of the Services have qualification requirements, and we reserve the right to change the qualifications at any time without prior notice. We reserve the right to change, suspend or discontinue the Services, in whole or in part, or your use of the Services, in whole or in part, immediately and at any time without prior notice to you.

**Hardware and Software.** In order to use the Services, you must obtain and maintain, at your expense, compatible hardware and software as specified by Credit Union from time to time. Credit Union is not responsible for any third party software you may need to use the Services. Any such software is accepted by you as is and is subject to the terms and conditions of the software agreement you enter into directly with the third party software provider at time of download and installation. The Service is compatible with Android and Apple devices only.

### Indemnification Obligation

You agree to hold Credit Union and its directors, officers, employees, members, and agents (*the Indemnified Parties*), harmless against any and all losses, costs, expenses, fees, claims, damages, liabilities and third-party causes of action, resulting from your failure to abide by the terms of this agreement or perform any obligation imposed in this agreement or as a result of willful misconduct, fraud, criminal activity, or negligence of you or any personal representative, for any transaction acted upon in good faith. Additionally, you agree to the following conditions of use:

- All information you submit is accurate and true, to the best of your knowledge
- You will comply with the terms of the original and updated versions of this agreement
- You will only transmit eligible items that are properly endorsed
- Images will meet minimum image-quality standards
- You will not transmit duplicate items or otherwise attempt to negotiate an item that has already been processed through RDC, unless specifically requested to do so by Credit Union

**Cooperation with Investigations.** You agree to cooperate with us in the investigation of unusual transactions, poor quality transmissions, and resolution of member claims, including by providing, upon request and without further cost, any originals or copies of items deposited through the Service in your possession and your records relating to such items and transmissions.

### **Governing Entities**

This agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with internal laws of the State of Illinois, notwithstanding any conflicting jurisdiction.

### **Remote Deposit Capture Member Eligibility Requirements**

RDC is a privilege and Credit Union reserves the right to suspend or terminate access to the service, at any time, with or without prior notice. Base eligibility requirements for the service include, but are not limited to the items discussed in this section.

### **Acknowledgement of Account Holder**

Upon first use, you must accept the conditions of Remote Deposit Capture by reading and agreeing to the terms of the electronic notice. A written copy of this policy is available upon request or on our website at [mcu.org](http://mcu.org).

### **Account Status Requirements**

To be eligible for RDC access, the account must meet and maintain the following requirements:

#### **ELIGIBLE SHARE ACCOUNTS**

Not all accounts are eligible to receive deposits via RDC. Deposits can be made into checking accounts. Remote transactions are not available on Savings accounts, IRA's or loans.

#### **ACCOUNT STATUS**

Remote Deposit Capture Service may be terminated or suspended for any account that is not in good standing.

#### **ACCOUNT INFORMATION**

Credit Union requires valid contact information for all RDC users. You agree to notify the credit union immediately of any change to your physical or mailing address, contact phone numbers and/or email address and understand that your access to the service may be suspended or terminated if we do not have current contact information on file.

### **Termination or Suspension of Service**

RDC Service may be suspended or terminated, at the sole discretion of Credit Union but will typically be the result of an account that does not meet the conditions discussed in the previous section or reasonable suspicion of illegal activity or activity that presents a high risk of loss for the credit union. Additionally, you may stop using this option RDC service, at any time, without notification to Credit Union.

### **Eligible items**

You agree to scan and deposit only "checks" as that term is defined in Federal Reserve Regulation CC ("Reg. CC"). When the image of the check transmitted to Credit Union is converted to an Image Replacement Document for subsequent presentation and collection, it shall thereafter be deemed an "item" within the meaning of Articles 3 and 4 of the Uniform Commercial Code.

You agree that you will not scan and deposit any of the following types of checks or other items which shall be considered ineligible items:

- Checks payable to any person or entity other than the person or entity that owns the account that the check is being deposited into;

- Checks containing an alteration on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check is drawn;
- Checks payable jointly, unless deposited into an account in the name of all payees;
- Checks previously converted to a substitute check, as defined in Reg. CC;
- Checks drawn on a financial institution located outside the United States;
- Checks that are remotely created checks, as defined in Reg. CC;
- Checks not payable in United States currency;
- Checks dated more than 6 months prior to the date of deposit;
- Checks or items prohibited by Credit Union's current procedures relating to the Services or which are otherwise not acceptable under the terms of your Credit Union account;
- Checks with any endorsement on the back other than that specified in this agreement;
- Checks that have previously been deposited through this Service or through a remote deposit capture service offered at any other financial institution;
- Checks that are prohibited by the Credit Union's current Membership Agreement with you;
- Checks that are in violation of any federal or state law, rule, or regulation, Endorsements, Requirements and Procedures

You agree to restrictively endorse any item transmitted through the Services as "**MOBILE DEPOSIT TO METRO**" or as otherwise instructed by Credit Union. Each image must provide all information on the front and back of the original check at the time presented to you by the drawer, including, but not limited to, information about the drawer and the paying bank that is preprinted on the original check, MICR information, signature(s), any required identification written on the front of the original check and any endorsements applied to the back of the original check. The image quality must meet the standards established by the American National Standards Institute, the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association. You agree to follow any and all other procedures and instructions for use of the Services as Credit Union may establish from time to time.

### **Processing Details**

Please review the following information regarding the RDC process. To ensure timely processing, it is your responsibility to ensure that scanned images are submitted properly. We are not responsible for improperly endorsed items, items not received due to transmission errors or items that cannot be processed due to poor image quality.

### **Capture Process**

Before scanning an item, please endorse the back of the check and notate "**MOBILE DEPOSIT TO METRO**". Once the item is scanned, you will have the option to receive confirmation. Please write: "RDC" prominently on the front of the item after verifying that the deposit has been posted to your account, to prevent it from being re-presented in the event it is lost or stolen. By submitting an item through RDC, you agree that you will not attempt to negotiate the paper item at a Credit Union branch, nor at any other financial institution. Attempting to negotiate a previously

scanned item, may result in termination or suspension of your access to RDC and/or legal action.

You agree to securely store each electronically submitted item for a reasonable period of time, to allow posting verification. The item must be destroyed 60 days after such verification has been made. Credit Union will not be responsible for any loss incurred due to improper security measures, storage and destruction of paper items scanned and submitted. It is your sole responsibility to ensure protection of these items against security risk and to properly dispose of the items following the necessary retention period.

Upon receipt of the scanned image, Credit Union's processing agent will perform an image quality assessment and convert all approved items into substitute checks, post the item, determine if a delay of availability is necessary and, if so, notify the member of the hold and when the funds will be available (*see Funds Availability*). The agent will then begin collection of the items through our check processing vendor.

#### **Cutoff Times**

Items submitted before 3:00 pm (*Central Standard Time, CST*) on any business day, are considered to be received on the same business day. Items submitted after 3:00 pm or on Saturday, Sunday or Federal Holiday will be considered to be received on the next business day. The deposit will be posted by the close of business on the next business day.

#### **Deposit Limits**

Credit Union reserves the right to establish and impose limits on the amounts and/or number of items transmitted through RDC, and to modify those limits at any time. Current daily limits are set to \$5,000, with a maximum individual check limit of \$3,000.

#### **Funds Availability**

It is the Credit Union's intent to comply with the letter and intent of the Expedited Funds Availability Act as implemented by Regulation CC. The Expedited Funds Availability Act regulates the amount of time financial institutions can take to make deposited funds available for withdrawal by the customer or member.

It is our policy to make funds available to members in accordance with the periods set by Regulation CC – Availability of Funds and Collection of Checks. In most cases, funds will be available to you no later than the business day following the business day the deposit is received.

In some cases, depending on the type of check deposited, funds may not be available until the second business day after the day of the deposit. Additionally, longer delays may be applied under the following circumstances:

- We believe a check deposited will not be paid.
- Deposited checks total more than \$5,525 on any one day. The first \$5,525 will be available for withdrawal in accordance with the above availability schedules.
- A check that has been returned unpaid is re-deposited.
- An account has been overdrawn repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

If funds are delayed beyond the first business day following the business day of the deposit, \$225 of the deposit will be available on the first business day. You will be notified as soon as a decision to delay availability has been made.

#### **Rejection of Deposit**

An item may be rejected at the sole discretion of Credit Union but will typically be for one of the following reasons:

- Poor image quality
- Illegible data on the front or back
- Duplicate item
- Altered, forged, counterfeit or fraud
- Missing or improper endorsement
- Missing points of negotiability
- Unacceptable item type
- System outage during submission

#### **Returned Items**

If an item you scan and transmit, is dishonored, rejected or otherwise returned unpaid, you agree that we may charge back the amount of the item, in addition to any processing fees incurred and in accordance with Credit Union's published fee schedule. If there are insufficient funds in your account, we may overdraw the account and you will be responsible for any related collection fees incurred.

#### **Notification**

In the event that a deposit will not be accepted, if there will be a delay of funds availability or if an item has been returned to us, Credit Union will notify you via phone, email or US mail. Failure to keep your contact information updated may cause a delay in receiving timely notification.

#### **Credit Union Check Retention**

Scanned and processed check images will be maintained securely by Credit Union, according to regulatory compliance requirements and we will take appropriate security measures to ensure only authorized individuals will have access to stored check images.

#### **Periodic Statements and Your Duty to Report Errors**

Any deposits made through RDC will be reflected on your monthly statement. You agree to notify Credit Union immediately of any suspected error or discrepancy. Credit Union is not obligated to address any errors brought to our attention more than 60 days following the statement on which the error is reflected. You are solely responsible for balancing and reconciliation of your account.

#### **Regulatory Compliance Requirements**

In addition to the terms of this agreement, you agree to comply with all laws, statutes, regulations and ordinances pertaining to your use of RDC, as well as laws relating to banking transactions. You also agree to abide by any clearinghouse rules or agreements, image exchange agreements and to hold Credit Union harmless from any loss, damages, liabilities, costs or expenses resulting from a violation of any of the above. Your agreement remains in effect until all RDC images have been successfully processed, without regard to whether or not your account with Credit Union is open or closed.

### **Ownership and License**

You agree that Credit Union retains all ownership and proprietary rights in the Services, associated content, technology, and website(s). Your use of the Services is subject to and conditioned upon your complete compliance with this Agreement. Without limiting the effect of the foregoing, any breach of this Agreement immediately terminates your right to use the Services. Without limiting the restriction of the foregoing, you may not use the Services (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to Credit Union's business interest, or (iii) to Credit Union's actual or potential economic disadvantage in any aspect. You may use the Services only for non-business, personal use in accordance with this Agreement. You may not copy, reproduce, distribute or create derivative works from the content and agree not to reverse engineer or reverse compile any of the technology used to provide the Services.

DISCLAIMER OF WARRANTIES. YOU AGREE YOUR USE OF THE SERVICES AND ALL INFORMATION AND CONTENT (INCLUDING THAT OF THIRD PARTIES) IS AT YOUR RISK AND IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE USE OF THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WE MAKE NO WARRANTY THAT THE SERVICES (I) WILL MEET YOUR REQUIREMENTS, (II) WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (III) THE RESULTS THAT MAY BE OBTAINED FROM THE SERVICE WILL BE ACCURATE OR RELIABLE, AND (IV) ANY ERRORS IN THE SERVICES OR TECHNOLOGY WILL BE CORRECTED.

LIMITATION OF LIABILITY. YOU AGREE THAT WE WILL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER LOSSES RESULTING FROM THE USE OR THE INABILITY TO USE THE SERVICES INCURRED BY YOU OR ANY THIRD PARTY ARISING FROM OR RELATED TO THE USE OF, INABILITY TO USE, OR THE TERMINATION OF THE USE OF THIS SERVICES, REGARDLESS OF THE FORM OF ACTION OR CLAIM (WHETHER CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE), EVEN IF CREDIT UNION HAS BEEN INFORMED OF THE POSSIBILITY THEREOF.