



## Mobile Deposit Terms and Conditions

The following terms and conditions apply to your use of the Credit Union's mobile deposit service, known as "Mobile Deposit." These terms and conditions are in addition to the terms, conditions, and limitations found in the Online and Mobile Banking Agreement and Disclosure, which are also applicable to Mobile Deposit. Please refer to the [Online and Mobile Banking Agreement and Disclosure](#) for those terms and conditions.

By enrolling and/or using Mobile Deposit, or authorizing another to use the service, you agree to comply with these terms and conditions. Your use of Mobile Deposit constitutes your acceptance and agreement to be bound by these terms and conditions.

### 1. GENERAL TERMS AND CONDITIONS

- a. **Mobile Deposit Service Description** – Mobile Deposit provides you the ability to access and make deposits to your designated eligible Accounts using a compatible mobile device to capture an image of original paper checks (Original Checks) that are drawn on or payable through U.S. financial institutions (each a Check Image) and to electronically submit the Check Image and associated deposit information to the Credit Union for deposit into a designated eligible Account.
- b. **Eligibility** – You must be a Credit Union member in good standing and meet other predetermined qualifying factors to qualify for use of Mobile Deposit. You must have a mobile device compatible with our system and access to telecommunication services necessary for the services. Application upgrades may be required from time to time for continued use of the service.
- c. **Eligible Accounts** – You may use Mobile Deposit to make deposits into any Community Financial checking, money market, savings, credit card and/or eligible loan accounts. Retirement accounts, mortgage loan accounts, certificate accounts, and health savings accounts are not eligible for use with Mobile Deposit.
- d. **Acceptance of these Terms** – Your use of Mobile Deposit is subject to the terms and conditions set forth in these terms and conditions, and your use of Mobile Deposit constitutes your acceptance of these terms and conditions. These terms and conditions are subject to change from time to time. We will notify you of any material change as may be required by law. Your continued use of Mobile Deposit will indicate your acceptance of the revised terms and conditions. If you do not wish for these terms and conditions to apply to a given Original Check you wish to deposit, you must not deposit it through Mobile Deposit.
- e. **Laws, Rules, and Regulations** – You agree to abide by and comply with all local, state, and federal laws, rules, and regulations which are in existence as of the date of these terms and conditions, and as amended from time to time.

### 2. THE SERVICE

- a. **The Mobile Deposit Capture Process** – You will create an electronic image by scanning the fronts and backs of properly endorsed checks ("Original Checks") with an image capture

device. You will transmit an electronic file containing these electronic images to the Credit Union, and we will deposit the items to your account. We will perform an image quality assessment of the scanned items and process those items meeting our required standards for deposit and collection.

- b. **Funds Availability** – Original Checks deposited through Mobile Deposit are not subject to the Funds Availability Disclosure. Accounts less than thirty (30) days old may not have access to funds deposited through Mobile Deposit for seven (7) business days. Accounts that are more than thirty (30) days old may have \$500 immediate availability from a deposit. After the first \$500, funds deposited using Mobile Deposit will generally be made available three (3) business days from the day of deposit. Credit card and home equity lines of credit deposit amounts will be credited to your loan, but will not be reflected in your available credit balance for two (2) business days.

In some cases, we may not make funds deposited using Mobile Deposit available in accordance with this general policy. Should this occur, a communication will be sent to you informing you as to when your funds will be available. In the event we receive an item you transmit through Mobile Deposit where we have reason to doubt the collectability of that item, we may delay the availability of funds for a reasonable period of time until the item is either paid or returned. In such cases, we will notify you of this action. If you will need funds from a completed deposit, in accordance with our Funds Availability Disclosure, we recommend that you deposit the items involved in person at one of our branch locations.

We may establish limits on the dollar amount and/or number of items or deposits that you may transmit using Mobile Deposit, and may modify those limits from time to time. If you attempt to initiate a deposit in excess of these limits, we may reject your deposit. If we permit you to make a deposit in excess of these limits, that deposit will still be subject to these terms and conditions, and we will not be obligated to allow such a deposit at other times. You can view your limits within Online Banking.

- c. **Receipt of Items** – You acknowledge and agree that the scanning and transmitting of Original Checks does not constitute receipt by the Credit Union. Original Checks deposited through Mobile Deposit shall be deemed to be received by us at the time our system indicates a successful transaction is completed. You expressly acknowledge and agree that an acknowledgment of receipt of delivery does not constitute an acknowledgment by us that your transmission does not contain errors.
- d. **Acceptance of Deposit** – You agree that we may at any time, in our sole discretion, refuse to accept deposits of Original Checks from you through Mobile Deposit. In the event Mobile Deposit is interrupted or otherwise unavailable, or in the event any Internet connection involved in the process is not functioning properly, you may, at your option, deposit the Original Checks in person at one of our branches or by any other mutually agreed upon method of deposit. In the event such items are not deposited by means of Mobile Deposit, such deposit shall not be subject to these terms and conditions. After you complete a deposit, you will be notified via email that the deposit has been accepted. You will also be notified via email if an item is rejected or requires resubmission, or if we make an adjustment to your deposit. If you believe there is a problem, you must contact us at your earliest opportunity Monday through Friday from 9 a.m. to 5 p.m., Eastern Time.

### 3. YOUR DEPOSITS

- a. **Responsibility for Scanning** – You are solely responsible for the proper endorsement and scanning of items, and for maintaining your mobile device and/or other equipment used in connection with Mobile Deposit. You accept any and all risks related to such equipment and devices, and for Internet connections. You are responsible for the payment of all telecommunications expenses associated with your use of Mobile Deposit. We are not responsible for providing or servicing any equipment you use to access or use Mobile Deposit.
- b. **Deposit Requirements** – You agree that you will use Mobile Deposit only to deposit Items drawn on financial institutions within the United States, excluding its territories. No items issued by a governmental unit or agency, items payable to more than one person, and no third-party item (i.e., an Item that was not initially payable to you) may be deposited through Mobile Deposit. Each Check Image shall be of a quality that will permit the following information to be clearly read and understood:
- the amount
  - the payee
  - the signature of the drawer
  - the date
  - the Original Check number
  - the information identifying the drawer and the paying financial institution that is preprinted on the Original Check, including the MICR line
  - all other information placed on the Original Check prior to the time an image of the item is captured, including any required identification written on the front of the Original Check and any endorsements on the back of the item

You are solely responsible for the proper endorsing of all Original Checks. Items deposited by means of Mobile Deposit must be endorsed as follows: “For Mobile Deposit Only, CFCU Acct #.” You agree to follow all other procedures and instructions for use of Mobile Deposit as we may establish from time to time.

- c. **Exception Items** – We may, in our sole and absolute discretion, reject any Check Image we determine to be ineligible for Mobile Deposit (each an “Exception Item”), including but not limited to, Check Images of items drawn on banks located outside the United States, items drawn on U.S. Banks in foreign currency, Check Images that are illegible, Check Images of Original Checks previously processed, Check Images previously converted to substitute checks, and Check Images with unreadable MICR information. You may be notified via email of Exception Items, but you also agree that you will review your Account to determine that items you have deposited through Mobile Deposit have been credited to your Account before attempting to make use of such funds. You further agree that if you want to deposit any Exception Item to your Account, you will only do so by depositing the Original Check upon which the Exception Item is based. You acknowledge and agree that even if we did not initially identify Check Image as an Exception Item, the substitute check created by us may nevertheless be returned to us because the electronic image is deemed illegible by a paying bank, or for other reasons. Our failure to identify an Exception Item shall not preclude or limit your obligation to us.
- d. **Item Retention** – You agree that you are solely responsible for custody and control of all Original Checks. You further agree that you will handle all Original Checks pursuant to these

terms and conditions. Once we have received your transmission of Check Images for deposit to your account, we will acknowledge by electronic means our receipt of your transmission. Your electronic transmission is subject to proof and verification. You must retain the original of all Original Checks you have deposited through Mobile Deposit for six (6) calendar months after the day of deposit (the "Retention Period"). The risk of loss due to the unavailability of the original or copy of an Original Check for any reason, during the Retention Period, shall be exclusively on you. If we request that you provide us with an Original Check during the 180-day period referenced above, and you are unwilling or unable to do so, we may deduct from your account the amount of any loss we suffer, or otherwise require you to reimburse us for such amounts.

- e. **Item Destruction** – You agree that you are fully responsible for the destruction of Original Checks. You agree to use commercially reasonable methods to destroy Original Checks after the required Retention Period has expired. You agree to destroy and dispose of the Original Checks with a high degree of care, including selecting and implementing appropriate destruction and disposal procedures. You agree that you will implement procedures to ensure that Original Checks are not accessed by unauthorized persons during the storage, destruction, and disposal process; and that once destroyed, Original Checks are no longer readable or capable for being reconstructed. The risk of loss associated with the accidental inclusion of a physical Item in the check collection process, or with a lost, destroyed, stolen, or misplaced item shall be exclusively on you.
- f. **Presentment Prohibitions** – You agree that you will not deposit Original Checks through Mobile Deposit that are:
- Payable to any person or entity other than you
  - Prohibited by, or received in violation of, any law, rule or regulation
  - Known to you or should be known to you to be fraudulent or otherwise not authorized by the owner of the account on which the item is drawn
  - Original Checks previously cashed or deposited
  - Post-dated or more than six (6) months old
  - Payable to cash
  - Irregular in any way
  - Original Checks that do not bear a signature of the person on whose account the Item is drawn; or
  - Drawn on financial institutions located outside the United States

#### 4. YOUR REPRESENTATIONS AND WARRANTIES

- a. **Representations and Warranties** – You represent and warrant that all Original Checks transmitted through Mobile Deposit will comply with any and all federal and state laws, and rules and regulations applicable to online transactions and the use of Mobile Deposit; including but not limited to, rules and regulations relating to the National Automated Clearing House for ACH transactions. You further represent and warrant:
- Original Checks deposited through Mobile Deposit shall be payable to and properly endorsed by you
  - All signatures on all Original Checks are authentic and authorized; and
  - No Original Check deposited through Mobile Deposit has been altered
- b. **Financial Responsibility** – You acknowledge and agree that you are solely responsible for any

and all financial risks associated with your use of Mobile Deposit. You assume exclusive responsibility for the consequences of any instructions you give the Credit Union, for your failure to access and/or properly use Mobile Deposit in the manner prescribed by the Credit Union, and for any failure by you to provide accurate input information.

- c. **Periodic Statement and Your Duty to Report Errors** – Any deposits made using Mobile Deposit will be reflected on your monthly periodic statement. You understand and agree that you are required to immediately notify us of any suspected error relating to Check Images transmitted using Mobile Deposit, no later than 60 days after the date of the statement. Except as may otherwise be required by law, you are responsible for any mobile deposit-related errors that you fail to bring to our attention within such time period. Upon request, you agree to provide us with copies of Check Images (or original checks, if available), to facilitate our investigations related to unusual transactions or poor-quality transmissions, or to resolve disputes.
- d. **Warranties** – In using Mobile Deposit, you perform the function of converting an Original Check into an electronic format. In doing so, you understand and agree that you are responsible, to the extent permitted by law, for all warranties and indemnifications related to such a conversion, including but not limited to, all of the following:
- Each Check Image transmitted to the Credit Union is a true and accurate rendition of the front and back of the Original Check, without any alteration, and the drawer of the Original Check has no defense against payment.
  - The amount, the payee, signature(s), and endorsement(s) on the Original Check are legible, genuine, and accurate.
  - You will not deposit or otherwise indorse to a third party the Original Check and no person will receive a transfer, presentment, or return of, or otherwise be charged for the item such that the person will be asked to make payment based on an item it has already paid.
  - Other than the image of an Original Check that you remotely deposit through Mobile Deposit, there are no other duplicate images of the Original Check.
  - You have instituted procedures to ensure that each Original Check was authorized by the drawer in the amount stated on the Original Check and to the payee stated on the Original Check.
  - You are authorized to enforce each Original Check transmitted or are authorized to obtain payment of each Original Check on behalf of a person entitled to enforce the item.
  - The information you provided remains true and correct and, in the event any such information changes, you will immediately notify the Credit Union of the change.
  - You have not knowingly failed to communicate any material information to the Credit Union.

- You have possession of each Original Check deposited using Mobile Deposit and no one will submit, or has submitted, the Original Check for payment.
- Check Images transmitted to the Credit Union will contain no viruses or any other disabling features that may have an adverse impact on the Credit Union's network, data, or related systems.

## 5. MOBILE DEPOSIT FEES

You agree to pay all fees and charges for Mobile Deposit as set forth in our Fee Schedule. All fees are subject to change by us upon thirty (30) days written notice to you.

## 6. DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITIES

- Disclaimer of Warranties** – YOU ACKNOWLEDGE THAT MOBILE DEPOSIT IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. NEITHER THE CREDIT UNION NOR ITS LICENSORS ARE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN OR TO ANY INFORMATION RESULTING FROM YOUR USE OF MOBILE DEPOSIT. NEITHER THE CREDIT UNION NOR ITS LICENSORS MAKE ANY, AND EXPRESSLY DISCLAIM, ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING MOBILE DEPOSIT, INCLUDING THE WARRANTY OF TITLE AND THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE CREDIT UNION AND ITS LICENSORS DISCLAIM ANY WARRANTIES REGARDING THE OPERATION, PERFORMANCE OR FUNCTIONALITY OF MOBILE DEPOSIT, INCLUDING, BUT NOT LIMITED TO, THAT MOBILE DEPOSIT WILL OPERATE WITHOUT INTERRUPTION OR BE ERROR FREE. YOU FURTHER ACKNOWLEDGE THAT THERE ARE CERTAIN SECURITY, CORRUPTION, TRANSMISSION ERROR AND ACCESS AVAILABILITY RISKS ASSOCIATED WITH USING OPEN NETWORKS SUCH AS THE INTERNET AND/OR TELECOMMUNICATION LINES OR CIRCUITS, AND YOU HEREBY ASSUME ALL RISKS RELATING TO SAME.
- Limitation of Liability** – EXCEPT AS SPECIFICALLY PROVIDED IN THESE TERMS AND CONDITIONS, OR OTHERWISE REQUIRED BY LAW, YOU AGREE THAT THE CREDIT UNION AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, LICENSORS, OR CONTRACTORS ARE NOT LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES UNDER OR BY REASON OF THE SERVICE OR PRODUCTS PROVIDED UNDER THESE TERMS AND CONDITIONS, OR BY REASON OF YOUR USE OF OR ACCESS TO THE SERVICE. THE CREDIT UNION SHALL BE RESPONSIBLE ONLY FOR PERFORMING THE SERVICES EXPRESSLY PROVIDED FOR IN THESE TERMS AND CONDITIONS AND SHALL BE LIABLE ONLY FOR ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING THOSE SERVICES. THE CREDIT UNION SHALL NOT BE RESPONSIBLE FOR YOUR ACTS OR OMISSIONS, INCLUDING WITHOUT LIMITATION, THE AMOUNT, ACCURACY, OR TIMELINESS OF TRANSMITTAL, OR THOSE OF ANY PERSON, INCLUDING, WITHOUT LIMITATION ANY FEDERAL RESERVE FINANCIAL INSTITUTION OR TRANSMISSION OR COMMUNICATIONS FACILITY, AND NO SUCH PERSON SHALL BE DEEMED THE CREDIT UNION'S AGENT. YOU AGREE TO INDEMNIFY THE CREDIT UNION AGAINST ANY CLAIMS, DAMAGES, LOSS LIABILITY OR EXPENSE (INCLUDING ATTORNEYS' FEES) RESULTING FROM OR ARISING OUT OF ANY CLAIM OF ANY PERSON THAT THE CREDIT UNION IS RESPONSIBLE FOR ANY ACT OR OMISSION OF YOURS, OR ANY OTHER PERSON DESCRIBED IN THIS PARAGRAPH. IN NO EVENT SHALL THE CREDIT UNION BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE WHICH YOU MAY INCUR OR SUFFER IN CONNECTION WITH THESE TERMS AND CONDITIONS, INCLUDING WITHOUT LIMITATION, LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM THE CREDIT UNION'S ACTS OR OMISSIONS PURSUANT TO THESE

## TERMS AND CONDITIONS.

### **7. YOUR INDEMNIFICATION OBLIGATION**

You agree to indemnify, defend, and hold harmless the Credit Union and its shareholders, directors, officers, employees and agents (the "Indemnified Parties") from and against any and all losses, costs, expenses, fees, claims, damages, liabilities, and causes of actions of third parties, including but not limited to, reasonable attorneys' fees, resulting or arising from:

- Your failure to abide by or perform any obligation imposed upon you under these terms and conditions
- The willful misconduct, fraud, criminal activity, intentional tort or negligence of you or any of your representatives involving use of Mobile Deposit;
- The actions, omissions or commissions of you, your employees, consultants and/or agents relating to Mobile Deposit; and
- Any transmission or instruction, whether or not authorized, acted upon by the Credit Union in good faith.

### **8. TERMINATION**

These terms and conditions and your use of Mobile Deposit may be immediately terminated if your use of the service is in a manner that violates any local state or federal law, or any term of these terms and conditions or any other applicable agreement between you and the Credit Union. Notwithstanding any such termination, these terms and conditions shall remain effective in respect of any transaction occurring prior to such termination. Upon termination of these terms and conditions you: (1) acknowledge and agree that all licenses and rights to Mobile Deposit shall terminate; (2) will cease any and all use of Mobile Deposit; and (3) will remove the application from all computing devices, hard drives, networks, and other storage media in your possession or under your control.