

Bank-Fund Staff Federal Credit Union® (BFSFCU®)
Mobile Check Deposit Service Agreement and Disclosure

Effective date <11/08/2019>

Please read this document carefully and save a copy for your reference. It contains important information. You should print, download or otherwise retain a copy for your records.

In this Agreement and Disclosure, the words "you" and "your", refer to the member who requested access to and/or use of the Mobile Check Deposit Service described herein. The words, "we", "us", "our", Credit Union, and BFSFCU® refer to Bank-Fund Staff Federal Credit Union. In the event of a discrepancy between this Agreement and Disclosure and or the *Share Account Agreement*, this Agreement and Disclosure will control.

Use of the Mobile Check Deposit Service – Upon enrollment in Mobile Check Deposit and acceptance by the Credit Union, you are authorized by us to remotely deposit paper checks to your checking and savings accounts with us (the "Account") by electronically transmitting a digital image of the paper check and other acceptable items to us for deposit via Mobile Check Deposit. Your use of Mobile Check Deposit constitutes your acceptance of the terms and conditions of this Agreement and Disclosure. You understand and agree that you may make deposits to your Account and understand and agree that the Credit Union may provide access to additional deposit products at any time without advance notice to you.

Provisional Credit and Availability of Funds – Upon receipt of the digital image, the Credit Union will review the image for acceptability. You understand and agree that receipt of an image does not occur until after we notify you of receipt of the image via Mobile Check Deposit. You understand that in the event you receive a notification from us confirming receipt of an image, such notification does not mean that the image contains no errors or that we are responsible for any information you transmit to us. We are not responsible for any image that we do not receive. Following receipt of the image, we may process the image by preparing a "substitute check" or clearing the item as an image. Notwithstanding anything to the contrary, we reserve the right, within our sole and absolute discretion, to accept or reject any item for remote deposit into your Account. You understand that any amount credited to your Account for items deposited using Mobile Check Deposit is a provisional credit. You understand that you will be provided with a notification to your device that includes a copy of the deposited check image and confirmation that the image has been accepted. If your check image does not meet established check requirements, you will receive notification to your device that your deposit has been rejected.

You and BFSFCU agree that funds availability for items, as images transmitted for deposit are not subject to the availability requirements of Regulation CC or our *Funds Availability Disclosure*. For deposits made using the Mobile Check Deposit Service, we will still generally follow the *Funds Availability Disclosure* for the Account.

After you transmit an image for deposit to us, we can place an extended hold on your deposited funds as described on our *Funds Availability Disclosure*. If we do, we will separately tell you when you can expect your funds to be available for withdrawal.

You understand and agree that you are required to indemnify and hold us harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising from your use of Mobile Check Deposit and/or breach of this Agreement and Disclosure. You understand and agree that this paragraph shall survive termination of your Account and this Agreement.

In addition, you agree that you will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or Mobile Check Deposit, (ii) copy or reproduce all or any part of the technology or Mobile Check Deposit; or (iii) interfere, or attempt to interfere, with the technology or Mobile Check Deposit.

Compliance with Law – You agree to use the Mobile Check Deposit for lawful purposes and in compliance with all applicable laws, rules and regulations. You warrant that you will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations. You understand and agree that you are required to indemnify and hold us harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any violation thereof arising out of or related to the use of Mobile Check Deposit and/or breach of this Agreement and Disclosure. You understand and agree that this paragraph shall survive termination of your Account and this Agreement.

Check Requirements – Any image of a check that you transmit to us must accurately and legibly provide all of the information on the front and back of the check at the time presented to you by the drawer. **Prior to capturing a digital image of the original check, you will endorse the back of the original check as follows: For BFSFCU Mobile Deposit Only; [signature of payee].**

The digital image of the check transmitted to us in digital format must accurately and legibly provide, among other things, the following information: (1) the information identifying the drawer and the paying bank that is preprinted on the check, including complete and accurate MICR information and the signature(s); (2) the payee of the check and the amount of the check; and (3) other information placed on the check prior to the time a digital image of the check is captured, such as any required identification written on the front of the check and endorsements applied to the back of the check. You agree that your responses to prompts throughout each Mobile Check Deposit session are true and correct. The image is required to meet the standards for image quality established by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve, and any other regulatory agency, clearing house or association.

Rejection of Deposit – The Credit Union is not liable for any service charges or late fees levied against you due to our rejection of any item. We are not responsible for items we did not receive or images that may have been dropped during the transmission of the image file to the Credit Union. In all cases, you are responsible for any loss or overdraft, in addition to any applicable charges, including those fees stated on our Fee Schedule, and including the item being returned unpaid.

Notwithstanding anything to the contrary, the Credit Union reserves the right, within our sole and absolute discretion, to accept or reject any item for remote deposit into your Account.

Restrictive Endorsement – Prior to capturing a digital image of the original check, you will endorse the back of the original check as follows: For BFSFCU Mobile Deposit Only; [signature of payee]. BFSFCU reserves the right to reject an item that does not bear this restrictive endorsement.

Items Returned Unpaid – A written notice will be sent to you of transactions we are unable to process because of returned items. With respect to any item that you transmit to us for Mobile Check Deposit that we credit to your Account, in the event such item is dishonored, you authorize us to debit the amount of such item along with any applicable fees from the Account.

Availability and Business Day – You may use and access the Mobile Check Deposit service to deposit checks at any time. You understand and agree that our business days for Mobile Check Deposit are Monday through Friday, except holidays. The Credit Union will treat and record all items received after the daily cutoff time of 3:30 p.m. Eastern Time or on a day that we are not open for business, as if initiated on the next business day.

You understand and agree that Mobile Check Deposit may at times be temporarily unavailable due to Credit Union system maintenance or technical difficulties including those of the Internet Service Provider. In the event that the Mobile Check Deposit service is unavailable, you acknowledge that you can deposit an original check at our BFSFCU branches, through Shared Branches or our ATMs that accept deposits, or by mailing the original check to us at: Bank-Fund Staff Federal Credit Union, 1725 I Street NW Suite 150, Washington, DC 20006. It is your sole responsibility to verify that items deposited using Mobile Check Deposit have been received and accepted for deposit by us.

Funds Availability – Deposits made using Mobile Check Deposit may not be available for immediate withdrawal. Funds may be held for a minimum of two business days after the day of deposit. However, BFSFCU reserves the right to delay the availability for a longer period of time as set forth in the *Funds Availability Disclosure*, a copy of which you received when you opened your Account and is available online at **BFSFCU.org**.

Accountholder's Warranties – You make the following warranties and representations with respect to each image of an original check you transmit to us utilizing Mobile Check Deposit:

1. Each digital image of a check transmitted to us is a true and accurate rendition of the front and back of the original check, without any alteration, and the drawer of the check has no defense against payment of the check.
2. The amount, the payee, signature(s), and endorsement(s) on the original check are legible genuine and accurate.
3. The date on the front of the check as written by the drawer of the check is not stale dated, i.e. older than 6 months, or postdated, i.e. written for a future date.
4. You will not deposit or otherwise endorse to a third party the original item (the original check) and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the item (either the original item, or a paper or electronic representation of the original item) such that the person will be asked to make payment based on an item that has already been paid.
5. You have possession of each original check deposited using the Mobile Check Deposit service. There are no duplicate images of the original check other than the digital image of the original check that you remotely deposited through Mobile Check Deposit, and a copy of the front and back of the check made by you for your records.
6. **You will use the Restrictive Endorsement on the back of the original check and otherwise prevent a duplicate deposit of the item. No party will submit the original check for payment to any person. You will be liable for a second presentment of the same item as permitted by Regulation CC, 12 CFR Part 229 if you fail to use the required endorsement.**
7. You recognize your contingent liability and your obligations in case the checks you deposit are returned to us unpaid (drawn on insufficient funds, nonexistent account, closed account, forged, etc.).
8. You are authorized to enforce each item transmitted or are authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item.
9. The information you provided on your Membership Application/Signature Card and other account opening documents or in subsequent documents to the Credit Union remain true and correct, and in the event any such information changes, you will immediately notify us of the change.
10. You have not knowingly failed to communicate any material information to us.
11. Files and images transmitted to us will contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

Storage of Original Checks – When you transmit an image for deposit to us, you will still have possession of the original check. In order to further prevent an additional submission of the original check for payment, you will take the following steps: (1) before you transmit an image to us, you will endorse the back of the original check using the Restrictive Endorsement or as we otherwise tell you; (2) you will keep the original check in a safe place until you have confirmation that your deposit has posted to your account; (3) upon

request you agree to provide BFSFCU with the original check or a sufficient copy of the front and back from your records, if the original check is no longer available to facilitate any investigations related to unusual transactions, poor quality transmissions, or to resolve any disputes; and (4) after you have confirmation that your deposit has posted to your Account, you will destroy the original check by shredding it or cutting it up.

You understand and agree that you are responsible for any loss caused by your failure to secure the original check.

Indemnification Obligation – You understand and agree that you are required to indemnify and hold us harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any violation thereof arising out of or relating to your use of Mobile Check Deposit and/or breach of this Agreement and Disclosure. You understand and agree that this paragraph shall survive termination of your Account and this Agreement.

In Case of Errors – In the event that you believe there has been an error or breach of this agreement with respect to any original check or image thereof transmitted to us for deposit; you will immediately contact us regarding such error or breach as set forth below:

You will notify us using the Secure Message Center within Digital Banking or will telephone us at 202-212-6400.

Limitation of Liability – You understand and agree that we are not responsible for any indirect, consequential, punitive, or special damages or damages attributable to your breach of the terms of this Agreement and Disclosure or the use of Mobile Check Deposit except as limited by applicable law.

Fees for Use of the Mobile Check Deposit Service – All fees associated with the Mobile Check Deposit service are disclosed on the Fee Schedule. In all cases, you are responsible for any loss or overdraft, including an item being returned unpaid, plus any applicable fees, including those fees stated on our Fee Schedule.

Change in Terms – We may change the terms, fees, and limits for Mobile Check Deposit as indicated in this Agreement and Disclosure by notifying you of such change in writing, as required by applicable law. We may amend, modify, add to, or delete from this Agreement and Disclosure from time to time and will notify you of such change as required by law. Your use of Mobile Check Deposit after receipt of notification of any change by us constitutes your acceptance of the change.

Termination of Service – You may terminate Mobile Check Deposit as provided for in this Agreement and Disclosure by sending a Secure Message via Digital Banking or writing to us at:

Attention: Member Relations
Bank-Fund Staff Federal Credit Union
1725 I St, NW, Suite 150
Washington, DC 20006-2406 USA

In the event of termination of Mobile Check Deposit you will remain liable for all transactions performed on your Account.

Withdrawal of Service – We may deny, suspend or revoke access to Mobile Check Deposit immediately, in whole or in part, within our sole and absolute discretion, without notice, if we believe you are in violation of the terms of this Agreement, or if we feel it is necessary to maintain the security of Mobile Check Deposit or your Account.

Relationship to Other Disclosures – The information in this Agreement and Disclosure applies only to Mobile Check Deposit described herein. Provisions in other disclosure documents, as may be revised from time to time, remain effective for all other aspects of the Account.

Governing Law – You understand and agree that this Agreement and Disclosure and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the laws of the District of Columbia.

Periodic Statement – Any deposits made through Mobile Check Deposit will be reflected on your periodic account statement. You understand and agree that you are required to notify us of any error relating to images transmitted using Mobile Check Deposit no later than 30 days after you receive the periodic statement that includes any transaction you believe is erroneous. You are responsible for any errors that you fail to bring to our attention within such time period.

Limitations on Frequency, Dollar Amount, and Aggregate Limits – You understand and agree that we may set limitations as to frequency, dollar amount, and aggregate limits, and that these limits, if any, may be modified from time to time. You understand that you cannot exceed any limitations on frequency, dollar amounts, and aggregate limits of deposits made through Mobile Check Deposit that may be set forth by us.

For security reasons, there may be limits on the number or dollar amount of the transactions you may make using this service. BFSFCU may modify these limits from time to time, and reserves the right to deny any deposit made via Mobile Check Deposit.

These limits may be increased for qualified members whose deposit activity warrants such a change.

Unacceptable Deposits – You understand and agree that you are not permitted to deposit the following items using Mobile Check Deposit:

1. Any item drawn on your BFSFCU Account
2. Any item that is payable to any person or entity other than yourself, including but not limited to the joint owner
3. Any item that is stamped or imprinted with a "non-negotiable" watermark
4. Any item that contains evidence of alteration to the information on the check
5. Any item issued by or drawn upon a financial institution in a foreign country
6. Any item not issued in US dollars
7. Any item that is incomplete, including missing endorsements
8. Any item that is "stale dated" or "postdated"
9. Any third party check, i.e., any item that is made payable to another party and then endorsed to you by such party
10. Any item that has been previously endorsed by a financial institution (a bank, savings and loan, or a credit union) and is either a "substitute check" or Image Replacement Document ("IRD") that purports to be substitute check, without prior written consent of BFSFCU.
11. Savings Bonds

Confidentiality - You acknowledge and agree that confidential data relating to Mobile Check Deposit, marketing, strategies, business operations, and business systems (collectively, "Confidential Information") may come into your possession in connection with this Agreement and Disclosure. You understand and agree that you are prohibited from disclosing and agree to maintain the confidentiality of our Confidential Information.

Waiver – The failure of either party to seek a redress for violation, or to insist upon the strict performance, of any covenant, agreement, provision, or condition hereof shall not constitute the waiver of the terms or of the terms of any other covenant, agreement, provision, or condition, and each party shall have all remedies provided herein with respect to any subsequent act which would have originally constituted the violation hereunder.

Relationship – This Agreement and Disclosure does not create, and shall not be construed to create, any joint venture or partnership between the parties. No officer, employee, representative, or independent contract of either party shall at any time be deemed to be an employee, representative, or contractor of the other party for any purpose whatsoever.