

CREDIT UNION OF VERMONT

MOBILE CHECK DEPOSIT USER AGREEMENT AND DISCLOSURE

This Mobile Check Deposit User Agreement (“agreement”) contains the terms and conditions for the use of the Mobile Check Deposit service (“MCD” “MCD Service” or “Service”) offered by the Credit Union of Vermont (“Credit Union”, “CUVermont”, “we”, “us”, “our”) to members (“you”, “your”, or “user”). Other agreements you have entered into with CUVermont, including but not limited to the Membership and Account Agreement and Disclosure, Online Banking Agreement and Disclosures governing your CUVermont account(s) are incorporated by reference and made a part of this Agreement. In the event of a discrepancy between this agreement and any other agreements, the terms of this agreement shall prevail. This Agreement cancels, supersedes, and replaces any prior Mobile Check Deposit agreements that you may have entered into with CUVermont.

Services. The Mobile Check Deposit service is designed to allow you to make deposits to your checking, savings, or money market savings accounts from home or other remote locations by electronically transmitting a digital image of the front and back of your paper checks to CUVermont. You acknowledge and agree that no transaction made through or using the Service is an “electronic fund transfer” as defined by the federal Electronic Fund Transfer Act and/or Regulation E of the Consumer Financial Protection Bureau.

- 1. Member Eligibility.** You understand that you must be an active CUVermont member for at least 90 days in good standing, an enrolled user of Online Banking, and have our mobile application installed on your iPhone, iPad, and/or Android device to qualify for the service.
- 2. Acceptance of these terms.** Your use of the service constitutes your acceptance of this agreement. You agree to comply with the hardware, software and connectivity requirements as referenced in this agreement. CUVermont reserves the right to change the terms and charges for the service described in this agreement by notifying you of such change. CUVermont may amend, modify, add to, or delete from this agreement. Your continued use of the MCD Service will indicate your acceptance of the revised agreement.
- 3. Compliance with Laws.** You agree to comply with all laws, statutes, regulations and ordinances pertaining to your use of the service, as well as all laws relating to the banking transactions effected by this service, including those of the national Automated Clearing House. You promise to indemnify and hold us harmless from any damages, liabilities, costs, expenses, including attorneys’ fees, or other harm arising out of any violation thereof. This indemnity shall survive termination of your account with us.
- 4. Limitations of Service.** When using the service, you may experience technical or other difficulties. We cannot assume liability for any technical or other difficulties or any resulting damages that you may incur. The MCD Service has 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 service, in whole or in part, or your use of the service, in whole or in part, at any time without prior notice to you.
- 5. Eligible Items for Deposit.** You agree to scan and deposit only “checks” as that term is defined in Federal Reserve Regulation CC.

6. Prohibited Deposits. You understand and agree that you will not use the service to deposit the following items:

- Any third-party check, i.e., any item that is made payable to another party and then endorsed to you by such party. The check must be payable to you.
- Any item drawn on your personal account at CUVermont.
- Any item payable to you and another party who is not joint owner on your CUVermont account.
- Any item that contains evidence of alteration to the information on the check.
- Any check previously converted to a “substitute check,” as defined in Regulation CC.
- Any item issued by a financial institution in a foreign country, or bearing a non-US routing number.
- Checks or items not payable in United States Currency.
- A Savings Bond.
- Cash, money orders, cashier’s checks, temporary and/or starter checks, credit card checks, or traveler’s checks.
- A “remotely created check” as defined in Regulation CC.
- Any item that is “postdated”, expired, or “stale dated” (stale dated is 6 months or older)
- Any item that is “non-negotiable” (whether stamped in print or as a watermark).
- Any item that has been re-deposited or returned such as “non-sufficient funds” or returned for any other reason, by any financial institution.
- Any item that is incomplete.
- Checks or items prohibited or otherwise not acceptable under the terms of your Credit Union of Vermont account.

Deposits of this nature may result in the immediate termination of the service and an immediate reversal of the transaction credit to your account. A reversal means the amount of the item(s) deposited will be removed from your account and will reduce your account balance. The reversal may also result in a negative balance on your account. You will have fees associated with returned items and negative balances per the CUVermont fee disclosure.

7. Image Quality. The image of any check transmitted to us through the Service must, (in our sole and absolute judgment), be legible and contain images of the front and back of the check. The image quality of the check must meet the standards for image quality established by the American National Standards Institute (“ANSI”), the Board of Governors of the Federal Reserve, or any other regulatory agency, clearinghouse or association. These requirements include, but are not limited to, ensuring the following information can be clearly read and understood by sight review of the check image: **(a)** the amount of the check (both written and numeric); **(b)** the payee; **(c)** the signature of the drawer (maker); **(d)** the date the check was written; **(e)** the check number; **(f)** pre-printed information that identifies the drawer and the financial institution on which the check is drawn, including the MICR encoded account number and financial institution routing/transit number; **(g)** all other information placed on the check prior to the time an image of the check is captured, such as any endorsements applied to the back of the check.

8. Endorsements. You agree to restrictively endorse any check transmitted through the Service as “for mobile deposit only at CUVermont, account #____” followed by your legally-binding signature to endorse the check. You agree to follow any and all other procedures and instructions for use of the Service as we may establish from time to time. If a check is made payable to you AND your joint owner, both of you must endorse the check.

**For Mobile Deposit Only at
CUVermont Account #123456
Your Signature**

You further agree that we may handle and process any check image you transmit to us through the Service in accordance with the terms of this Agreement notwithstanding any restrictive, qualified, or conditional endorsement you may apply to the check without our approval or direction.

9. Security Procedures. You agree to follow any and all procedures, instructions, and guides for use of the Service as we may require from time to time and download each software update as it is available by us to you. We may require you to use a user identification code, a personal identification number, and/or passwords and other security procedures (collectively, “Service Access Procedures”) to access the Service. You agree at all times to comply with the Service Access Procedures, to safeguard the confidentiality of the Service Access Procedures, and to notify us immediately if you have any reason to believe the security or confidentiality of the Service Access Procedures has been compromised or breached.

10. Receipt of Images. We have no obligation to accept any check or image you transmit to us through the MCD Service, and we may reject any check or image that you transmit in our sole and absolute discretion without liability to you. You agree that we are not responsible or liable to you for images that are dropped during transmission, which we do not receive, or that are intercepted or altered by, or misdirected to, any unauthorized third party. You assume the risk that any check image or information from a check image may be intercepted or misdirected during transmission. It is your sole responsibility to verify that items deposited using the MCD Service have been received and accepted for deposit by us. To verify your deposit was received, you can sign into online banking and select the history for that account. The credit will be provisional until the deposit has cleared. Such confirmation only confirms the receipt of the image and does not confirm that the transmission was complete or error free, or that the amount of the check will be finally collected from the drawee institutions and/or credited to your Account. If, after we confirm the receipt of a check image, we determine that the check is a Prohibited Check, you agree that we may charge the amount of the check back to your Account. You agree that we will not be liable to you for any loss, costs, or fees as a result of the exercise of our chargeback rights. In all cases, you are responsible for any dishonored or returned checks or other debits to your Account. You agree that even if we do not initially reject an item you deposit through the service, we may ask you to provide the original item, should the paying bank deems the electronic image illegible, or invalid for any other reason. Our failure to reject such an item shall not limit your liability to us. You understand that any amount credited to your account for items deposited using the service is a provisional credit and you agree to indemnify us against any loss we suffer because of our acceptance of the remotely deposited check.

11. Rejection of Deposit. We are not liable for any fees, service, or late charges levied against you due to our rejection of any item. In all cases, you are responsible for any loss or overdraft plus any applicable fees to your account due to an item being returned. If a deposit is rejected, you will be notified through the email address you have registered with CUVermont in your online banking.

12. Items Returned Unpaid. A written notice will be sent to you of transactions we are unable to process because of returned items. For any item that you transmit to us for mobile deposit that we credit to your account that is not honored, you authorize us to debit the amount of such item from your account, including any applicable fees. CUVermont will send you an image of the original check or a substitute check for the returned item. Please refer to the Schedule of Fees & Charges as posted on the CUVermont website for related fees.

13. Funds Availability. You agree that check images transmitted using the MCD Service and the funds represented by the checks are not subject to the funds availability requirements of Regulation CC. Except as otherwise provided in this Agreement, and subject to the requirements of applicable law or regulation, funds from any check transmitted through the Service will be available after final payment with respect to the check is made by the drawee of the check, and any credit of funds to your Account before that time is provisional. As a general rule, funds from deposits made by the MCD Service will be made available to you on the second Business Day following the Business Day on which we accept the check image from you. However, funds may not be available for up to seven business days from the day the deposit was made based on such factors as creditworthiness, the length and extent of your relationship with us, transaction and experience information, and such other factors as we, in our sole discretion, deem relevant, and/or based upon funds availability options we may offer to you in connection with the Service. You acknowledge and agree that no funds availability option we offer constitutes a promise or guarantee that check funds will be finally collected from the drawee institution and/or finally paid to you. In any event, we reserve a right of chargeback to your Account in the event of dishonor or nonpayment by the drawee institution, and we reserve the right to chargeback all applicable fees in the event of such dishonor or nonpayment and/or any resulting chargeback (including, but not limited to, returned deposit item fees and overdraft fees). For purposes of this MCD Service, the term "Business Day" means Monday through Friday, except when those days are holidays or days on which we may be closed due to emergency conditions. Check images received by us before 3:00 p.m. Eastern Standard Time on a Business Day will be processed on the same day. Check images received by us after 3:00 p.m. Eastern Standard Time will be processed on the next Business Day.

14. Email Address. You agree to notify us immediately if you change your email address. You can change your email address in the online banking system anytime, by coming into the credit union, or by calling us at 802-773-0027 during business hours.

15. Unavailability of Service. You understand and agree that the MCD Service may at times be temporarily unavailable due to CUVermont system maintenance or technical difficulties including, but not limited to those of the Internet service provider and Internet software. In the event that the Service is unavailable, you acknowledge that you can deposit an original check at the credit union, through the night drop at the credit union, or by mailing the original check to Credit Union of Vermont, 2 South Main Street, Rutland, VT 05701. It is your sole responsibility to verify that items deposited using the service have been received and

accepted for deposit by us. To verify your deposit was received, you can sign into online banking and select the history for that account. The credit will be provisional until the deposit has cleared.

16. Retention and Disposal of Transmitted Items. Upon your receipt of a confirmation from CUVermont that we have accepted the image of an item, you agree to prominently mark the item as “Electronically Presented” or “MCD - date” to ensure that it is not re-presented for payment.

- a. You agree to securely store each original check that you deposit using the service for a period of at least 30 days after transmission to us. After 30 days and no later than 90 days after you transmit the original check, you will safely destroy the original check. It is your responsibility to ensure that once destroyed, the original checks are no longer readable or capable of being reconstructed.
- b. You understand and agree that you are responsible for any loss caused by your failure to secure the original checks.
- c. You agree never to re-present the check for deposit.
- d. You will promptly provide any retained check, or a sufficient copy of the front and back of the check, to CUVermont as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any check, or for our audit purposes. If you are unable to provide a sufficient copy of the front and back of the check you will be liable for any unresolved claims by third parties.

17. Deposit Limits. We reserve the right to impose limits on the amount(s) and/or number of deposits that you transmit using the service and to modify such limits. The current deposit limit is a maximum of \$2,500 per business day.

18. In Case of Errors. You agree to immediately notify us of any suspected errors regarding checks deposited through Mobile Check Deposit by calling (802) 773-0027 or emailing us through the Private Branch-24 secure message service.

19. Periodic Account Statement. Any remote deposits made through the MCD Service will be reflected on your periodic account statement. You agree that you are required to notify us of any error relating to images transmitted using MCD by no later than 60 days after you receive the periodic account statement that includes the disputed transaction. You are responsible for any errors that you fail to bring to our attention within such time period.

20. Ownership & License. You agree that CUVermont retains all ownership and proprietary rights in the MCD Service, associated content, technology, and website. Your use of the MCD Service is subject to and conditioned upon your compliance with this Agreement. Any breach of this agreement immediately terminates your right to use the Service. Without limiting the restriction of the foregoing, you may not use the Service (i) in any anti-competitive manner, (ii) for any purpose which would be contrary to the business interest of CUVermont, or (iii) to actual or potential economic disadvantage in any aspect to CUVermont. 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 service.

21. Disclaimer of Warranties. You agree that your use of the MCD Service is at your own risk. You also agree that the service and all information and content (including that of third

parties) is provided on an “as is” and “as available” basis. You agree that we do not make any warranties of any kind as to the use of the service, equipment, hardware, software or internet provider service, or any part of them, whether expressed or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement. We make no warranty that the service will meet your requirements or will be uninterrupted, timely, secure, or error-free. We also make no warranty that the results that may be obtained from using the services will be accurate or reliable, or that any errors in the service or technology will be corrected. We are not responsible for any loss, injury or damages, whether direct, indirect, special or consequential, caused by your internet provider, any related software or CUVERMONT’s use of any of them or arising in any way from the installation, use or maintenance of your personal device hardware, software or other equipment.

22. Limitation of Liability. You understand and agree that we will not be liable for any direct, indirect, incidental, punitive, special, consequential or exemplary damages, including, but not limited to damages for loss of profits, goodwill, use, data or other losses resulting from or attributable to the use or the inability to use the MCD Service incurred by you or any third party arising from or attributable to the use of, inability to use, the termination of the use of the service, or your breach of this agreement, regardless of the form of action or claim (whether contract, tort, strict liability or otherwise), even if CUVERMONT has been informed of the possibility thereof.

23. Accountholder’s Warranties. You make the following warranties and representations with respect to your use of the MCD Service every time you transmit an item for deposit.

- a. Each 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 other than proper endorsement, and the payor of the check has no defense against payment of the check.
- b. The amount, the payee, signature(s), check date, and endorsement(s) on the original check are legible, genuine, and accurate.
- c. Each check that you submit to us for deposit will not be resubmitted in any format to us or to any other entity for payment.
- d. There are no other duplicate images of the original check, other than the digital image of an original check that you remotely deposit through the service.
- e. Each original check was authorized by the payor in the amount stated on the original check and to the payee stated on the original check.
- f. You have not knowingly failed to communicate any material information to us.
- g. You will retain possession of each original check deposited using the service for the required retention period and neither you nor any other party will submit the original check for payment.
- h. You will not use the service or your accounts for any illegal activity or transactions.

i. Files and images transmitted to us will contain no viruses or any other disabling features that may have an adverse impact on the CUVermont network, data, or computer systems.

24. Accountholder's Indemnification Obligation. You agree that you are required to indemnify us and hold us harmless against any and all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees and expenses, arising out of your use of the service and/or breach of this agreement. You agree that this indemnification shall survive termination of this agreement.

25. Termination of the Service. You may, by written request, terminate the service provided for in this Agreement. We may terminate your use of the service at any time. In the event of termination of the service, you will remain liable for all transactions performed on your account.

26. Relationship to Other Disclosures. The information in this agreement applies only to the MCD Service described herein as the Mobile Check Deposit User Agreement. Provisions in other disclosures and disclosure documents, as may be revised from time to time, remain in effect for all other aspects of your account.

27. Governing Law. You agree that this agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by the laws of the State of Vermont. You also agree to submit to the personal jurisdiction of the courts of the State of Vermont.

28. 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.

29. Benefit. This agreement is for the benefit of CUVermont and the depositor only. No other entity has rights under this agreement.

30. Hardware and Software Requirements. In order to use the Service, you must obtain and maintain, at your expense, compatible hardware and software as specified by CUVermont. The current hardware specifications can be found on the app store for your particular device. At this time, the CUVermont Mobile App with MCD is only supported by certain Android and Apple devices. CUVermont is not responsible for any third-party software you may need to use the Service. 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 Credit Union of Vermont reserves the right to change hardware and software requirements and will notify you of any material change via e-mail or on our website by providing a link to the revised requirements. Your continued use of the Service will indicate your acceptance.

If you do not agree to any of the above terms, you may not use the Mobile Check Deposit Service from the Credit Union of Vermont.