

# REMOTE DEPOSIT DISCLOSURE AND AGREEMENT

In this Disclosure and Agreement, the words “I,” “me,” “my,” “us” and “our” mean the (individual member or business) that applied for and/or uses any of the Remote Deposit Services (the “Services”) described in this Disclosure and Agreement. The words “you,” “your,” and “yours” mean SJMCFCU. My Application for use of the Remote Deposit Services and your notification of approval of my application, and any other documents I receive from you pertaining to my SJMCFCU account (“Account”) are hereby incorporated into and made a part of this Disclosure and Agreement. In the event of a discrepancy between this Disclosure and Agreement and my Application, or your approval of it, or the Account Agreement, this Disclosure and Agreement will control.

**Use of the Services.** Following receipt of your notification approving my use of the Services, I am authorized by you to remotely deposit valid paper checks I receive to my Account by electronically transmitting a digital image of the paper checks to you for deposit. My use of the Services constitutes my acceptance of the terms and conditions of this Disclosure and Agreement. Upon receipt of the digital image, you will review the image for acceptability. I understand and agree that receipt of an image does not occur until after you notify me of receipt of the image via the Deposit History feature. I understand that, in the event I receive a notification from you confirming receipt of an image, such notification does not mean that the image contains no errors or that you are responsible for any information I transmit to you, or that the check is valid. You are not responsible for any image that you do not receive, or for invalid checks. Following receipt of the image, you may process the image by preparing a “substitute check” or clearing the item as an image. Notwithstanding anything to the contrary, you reserve the right, within your sole and absolute discretion, to accept or reject any item for remote deposit into my Account. I understand that any amount credited to my Account for items deposited using the Services is a provisional credit only and I agree to indemnify you against any loss you suffer because of your acceptance of the remotely deposited check.

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

**Compliance with Law.** I agree to use the products and Service for lawful purposes and in compliance with all applicable laws, rules and regulations, as well as all laws pertaining to the conduct of my business if applicable. I warrant that I will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations. I promise to indemnify and hold you harmless from any damages, liabilities, costs, expenses (including attorneys’ fees) or other harm arising out of any violation thereof. This indemnity will survive termination of my Account and of this Agreement.

**Check Requirements.** Any image of a check that I transmit to you must accurately and legibly provide all the information on the front and back of the check at the time presented to me by the drawer. Prior to capturing the original check, I will properly endorse the back of the original check as required. The image of the check transmitted to you 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); and (2) other information placed on the check prior to the time an image of the check is captured, such as any required identification written on the front of the check and any endorsements applied to the back of the check. The image quality for the check will 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.

**Restricted Endorsement Requirement.** You agree to restrictively endorse the original paper checks as follows before they are scanned and transmitted for deposit:

For Mobile Deposit Only  
St. Joseph Medical Center FCU  
Your Account number  
Your Signature

**Rejection of Deposit.** You are not liable for any service or late charges levied against me due to your rejection of any item. In all cases, I am responsible for any loss or overdraft amount plus any applicable fees to your Account due to an item being returned.

**Items Returned Unpaid.** A written notice will be sent to me of any of my transactions that you are unable to process because of returned items. With respect to any item that I transmit to you for remote deposit that you credit to my Account, in the event such item is dishonored, I authorize you to debit the amount of such item from my Account.

**E-mail Address.** I agree to notify you immediately if I change my e-mail address, as this is the e-mail address where you will send me notification of receipt of remote deposit items. I understand that my failure to notify you in a timely manner of any change to my e-mail address could cause additional costs such as fees to be incurred and I agree that such costs would be my responsibility.

**Unavailability of Services.** I understand and agree that the Services may at times be temporarily unavailable due to the Financial Institution's system maintenance or technical difficulties including those of the Internet service provider, cellular service provider, and Internet software. In the event that the Services are unavailable, I acknowledge that I can deposit an original check at your branch or by mailing the original check to you. It is my sole responsibility to verify that items deposited using the Services have been received and accepted for deposit by you. However, you will e-mail notification of items that are rejected by the next business day following rejection.

**Funds Availability.** The total amount posted during each Deposit Session will be credited to your account after each deposit image is verified and approved by SJMCFCU. The deposit will then be immediately available for use, subject to SJMCFCU's Funds Availability Policy.

**SJMCFCU's Funds Availability Policy.**

SJMCFCU's Funds Availability Policy is to make funds from a deposit available on the business day that SJMCFCU receives my deposit. Electronic deposits will be available on the day you receive the deposit. Once the funds are available, I may withdraw the funds, and you will use the funds to pay checks that I have written.

For determining the availability of my deposits, every day is a business day, except Saturdays, Sundays, federal holidays and any other day that you are closed. My deposits are considered received: the day I deposit the funds at your teller window; or the day you receive my deposit funds in the mail.

*Longer Delays May Apply*

In some cases, SJMCFCU will not make funds available on the business day that we receive your deposit. SJMCFCU reserves the right to hold funds in certain instances. If I need the funds from a deposit right away, I should ask SJMCFCU when the funds will be available.

Funds I deposit by check may be delayed for a longer period under the following circumstances:

- SJMCFCU believes a check I deposit will not be paid;
- I deposit checks totaling more than \$5,000 on any one day;
- I redeposit a check that has been returned unpaid;
- I have overdrawn my account repeatedly in the last six months;
- There is an emergency, such as a failure of communication or computer equipment; and/or
- I deposit a check(s) into a new account during the first 30 days.

SJMCFCU will notify me if we delay your ability to withdraw funds for any of these reasons, and will tell you when the funds will be available. If my deposit is not made directly to one of your employees, or if you decide to take this action after I have left the premises, SJMCFCU will mail me the notice by the day after you receive my deposit. Deposited funds will generally be available no later than the fifth business day after the day of my deposit.

**Accountholder's Warranties.** I make the following warranties and representations with respect to each image of an original check I transmit to you utilizing the Services:

1. Each image of a check transmitted to you 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), date, and endorsement(s) on the original check are legible, genuine and accurate.
3. I 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 it has already paid.
4. Other than the digital image of an original check that I remotely deposit through your Services, there are no other duplicate images of the original check.
5. I 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.
6. I am authorized to enforce each item transmitted or am authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item.
7. The information I provided in my Application remains true and correct and, in the event any such information changes, I will immediately notify you of the change.
8. I have not knowingly failed to communicate any material information to you.
9. I have possession of each original check deposited using the Services and no party will submit the original check for payment.
10. Files and images transmitted to you will contain no viruses or any other disabling features that may have an adverse impact on your network, data or related systems.

**Storage of Original Checks.** I must securely store each original check. 60 business days after a check has been successfully deposited into my account and the transaction has appeared in my transaction history, I agree to destroy the original check. I understand and agree that I am responsible for any loss caused by my failure to secure and destroy the original check.

**Securing Images on Mobile Devices.** When using remote deposit, I understand that check images captured using my mobile device are stored on the device only until the associated deposit has been successfully submitted. I agree to promptly complete each deposit. In the event that I am unable to promptly complete my deposit, I agree to ensure that my mobile device remains securely in my possession until the deposit has been completed or to delete all associated images from the application.

**Accountholder's Indemnification Obligation.** I understand and agree that I am required to indemnify you and hold you harmless against any and all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees and expenses arising from my use of the Services and/or breach of this Disclosure and Agreement. I understand and agree that this paragraph shall survive the termination of this Agreement.

**Limitation of Liability.** I understand and agree that you are not responsible for any indirect, consequential, punitive, or special damages or damages attributable to my breach of this Disclosure and Agreement.

**Warranties.** I UNDERSTAND THAT YOU, SJMFCU, DO NOT MAKE ANY WARRANTIES ON EQUIPMENT, HARDWARE, SOFTWARE OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOU ARE NOT RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR YOUR USE OF ANY OF THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE OR MAINTENANCE OF MY PERSONAL COMPUTER HARDWARE, SOFTWARE OR OTHER EQUIPMENT.

**Change in Terms.** You may change the terms and charges for the Services indicated in this Disclosure and Agreement by notifying me of such change in writing and may amend, modify, add to, or delete from this Disclosure and Agreement from time to time. My use of the Services after receipt of notification of any change by you constitutes my acceptance of any such change.

**Termination of the Services.** I may, by written request received by you, terminate the Services provided for in this Disclosure and Agreement. You may terminate my use of the Services at any time upon written notice. In the event of termination of the Services, I will remain liable for all transactions performed on my Account.

**Relationship to Other Disclosures.** The information in these Disclosures applies only to the Services 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.** I understand and agree that this Disclosure and Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the internal laws of Pennsylvania notwithstanding any conflict-of-laws doctrines to the contrary. I also agree to submit to the personal jurisdiction of the courts of Pennsylvania.

**Periodic Statement.** Any remote deposits made through the Services will be reflected on my monthly account statement. I understand and agree that I am required to notify you of any error relating to images transmitted using the Services no later than 60 days after I receive the first monthly periodic statement that includes any transaction I allege is erroneous. I am responsible for any errors that I fail to bring to your attention within such time period.

**Limitations on Frequency and Dollar Amount.** I understand and agree that I cannot exceed the limitations on frequency and dollar amounts of remote deposits that are set forth by you.

**Unacceptable Deposits.** I understand and agree that I am not permitted to deposit the following items using the Services:

- **SJMFCU Check Drawn on the Same SJMFCU Account** – The deposit of a check that is drawn from and deposited to the same accountholder's account at SJMFCU is PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.
- **Non-Negotiable Items** – The deposit of any item stamped with a "non-negotiable" watermark is PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.
- **Altered Checks** – An altered check is any check that contains evidence of a change (correction fluid, crossed out amounts, etc.) to information on the face of the check. Members with altered checks MUST get a replacement check from the maker before SJMFCU will accept the deposit.
- **Foreign Checks** – A foreign check is any check that is issued to you by a financial institution in another country (Canada, France, etc.). Foreign checks may ONLY be deposited by mail. I must remit all foreign checks to SJMFCU, 7601 Osler Dr, Towson, MD 21204.
- **Savings Bonds** – Savings bonds are not accepted through remote deposit.
- **Incomplete Items** – An incomplete item is any item that does not contain signatures of the maker, endorsement signatures, or is missing any of the information required during key-entry in a Deposit Session.
- **Stale-Dated Checks** – Certain checks contain instructions such as "Void 90 days after issue date" or "Must be cashed within six months of issue date." Members with stale-dated checks MUST get a replacement check from the maker before SJMFCU will accept the deposit.
- **Third Party Checks** – The deposit of a check that is made payable to a person who is not listed as an accountholder may result in the immediate revocation of Services.
- **Substitute Checks (IRD)** – Substitute checks that are created as a reproduction of a digital image of an original check are not accepted through remote deposit.

- **Cash** – The deposit of cash PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.

**Changes in Financial Circumstances.** I understand and agree that I must inform you in writing immediately in the event a material change in my financial circumstances as or in any of the information provided in my Application including any supporting financial information. If I am using the Services to deposit items into an account in the name of a Business to which I am a party, this includes, but is not limited to, notification of the following: (a) changes in transaction volumes at my business; (b) any change in a representation or statement made or furnished to you by me or on my behalf in my Application; (c) a material change occurs in my ownership or organizational structure (acknowledging that any change in ownership will be deemed material when ownership is closely held); (d) I liquidate or dissolve, or enter into any consolidation merger, partnership or joint venture; (e) I sell any assets except in the ordinary course of my business as now conducted, or sell, lease, assign or transfer any substantial part of my business or fixed assets or any property or other assets necessary for the continuance of my business as now conducted including, without limitation, the selling of any property or other assets accompanied by the leasing back of the same; (f) I cease doing business, become insolvent, a receiver is appointed for all or any part of my property, I make an assignment for the benefit of creditors, or any proceeding is commenced either by me or against me under any bankruptcy or insolvency laws or any other law or laws relating to debtors; (g) any guaranty of my indebtedness to you, whether related or unrelated to the Account or the Services, ceases to be in full force and effect or is declared to be null and void; or the validity or enforceability thereof is contested in a judicial proceeding; or any guarantor denies that it has any further liability under such guaranty; or any guarantor defaults in any provision of any guaranty, or any financial information provided by any guarantor is false or misleading; (h) I or any guarantor dies; if I am a sole proprietorship, the owner dies; if I am a partnership, any general or managing partner dies; if I am a corporation, any principal officer or 10.00% or greater shareholder dies; if I am a limited liability company, any managing member dies; if I am any other form of business entity (any person(s) directly or indirectly controlling ten percent (10.00%) or more of the ownership interests of such entity dies; (i) any creditor tries to take any of my property on or in which you have a lien or security interest, including a garnishment of any of my accounts with you; (j) a judgment or judgments is entered against me or any guarantor(s) in the aggregate amount of \$250 or more that is not satisfied within thirty (30) days or stayed pending appeal; (k) an involuntary lien or liens is attached to any of my assets or property and not satisfied within thirty (30) days or stayed pending appeal; (l) an adverse change occurs in my financial condition or applicable credit histories; and/or (m) I am in default under any agreement for borrowed money or any other material contract. I agree to provide you with any financial records you reasonably request to determine my financial status during the term of this Disclosure and Agreement.

**Confidentiality.** I acknowledge and agree that confidential data relating to your Services, marketing, strategies, business operations and business systems (collectively, "Confidential Information") may come into my possession in connection with this Disclosure and Agreement. I understand and agree that I am prohibited from disclosing and agree to maintain the confidentiality of your Confidential Information. I agree that you may seek injunctive relief or any other form of relief available to you under law to prevent me from disclosing such Confidential Information, and I hereby agree to waive any bond posting requirement. I further agree that any disclosure of Confidential Information by me may subject me to civil action which may include monetary sanctions and penalties.

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

SJMCFCU reserves the right to reduce deposit limits, temporarily or permanently discontinue the Services, or suspend account access by me at any time due to a change in business conditions or my failure to abide by the applicable terms of the REMOTE DEPOSIT DISCLOSURE AND AGREEMENT, or any other applicable SJMCFCU agreements and/or disclosures.