

Morton Lane Federal Credit Union
RDC ENROLLMENT DISCLOSURE/POLICY/TERMS & CONDITIONS
Effective March 2020

Remote Deposit

Remote deposit service enables you to use the Morton Lane FCU Mobile Application and Mobile Devices approved by us to (i) create electronic images of the front and back of qualifying deposit items and (ii) transmit those images and other information, including, without limitation, information captured from the magnetic ink character recognition (“MICR”) line, to us for review and processing. “Electronic Item” means the electronic image of each Paper Item and other information captured from the Paper Item. You shall use hardware approved by Morton Lane FCU for the Service to create electronic images of checks and other Paper Items that you wish to deposit to your Account by means of the Service, and to transmit your Electronic Items to us. A “Paper Item” is an item that is in paper form. An “Item” includes a check, money order, cashier’s check or traveler’s check. You will use the Service only for Paper Items that are payable to, and endorsed by, you. After we receive your transmission, we will review each Electronic Item. For each Electronic Item that we determine is eligible for processing as described below, we will:

Create a substitute check that we will present directly or indirectly to the bank (a) on which the original Paper Item to which the Electronic Item relates is drawn, or (b) at or through which the Paper Item is payable (each, the “Paying Bank”); Include the Electronic Item in an electronic file for presentment directly or indirectly to the Paying Bank; or Present or post any Electronic Item for which we are the Paying Bank. User Statement I am authorized by Morton Lane FCU to remotely deposit valid paper checks I receive to my Account by electronically transmitting a digital image of the paper checks to Morton Lane FCU 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, Morton Lane FCU will review the image for acceptability. I understand that, in the event I receive a notification from Morton Lane FCU confirming receipt of an image, such notification does not mean that the image contains no errors or that Morton Lane FCU is responsible for any information I transmit, or that the check is valid. Morton Lane FCU is not responsible for any image that we do not receive, or for invalid checks. 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, Morton Lane FCU reserves the right, within our sole and absolute discretion, to accept or reject any item for remote deposit into your 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 us against any loss we suffer because of our 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

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original items in accordance with applicable laws, rules and regulations. I promise to indemnify and hold Morton Lane FCU 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

All checks must be drawn on a United States Bank.

The Payee(s) on the front of the check must be on the title of the deposit account. Any image of a check that I transmit to Morton Lane FCU 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.

All checks must be endorsed:

“For Remote Deposit Morton Lane FCU or Equivalent” and include the payee’s signature including any other endorsement if applicable. The payee’s name must be on the deposit account. In accordance with Reg CC, when using our Remote Deposit app, please remember to endorse your check with your signature, write “Remote Deposit Morton Lane FCU” under your endorsement and your account number. **Mobile deposit will not be accepted if these endorsements are not on the back of your check.**

For example: John Doe
Remote Deposit Morton Lane FCU
Account Number # _____

The image of the check transmitted to us 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.

Rejection of Deposit

Morton Lane FCU is not liable for any service or late charges levied due to rejection of any item. In all cases, I am responsible for any loss or overdraft amounts plus any applicable fees to your Account due to an item being returned. I understand and agree that I cannot exceed the limitations on frequency and dollar amounts of remote deposits that are set forth by Morton Lane FCU. Applicable remote deposit limits are:

Maximum single check deposit amount = \$25,000;
Maximum number of daily remote deposit items = 10;

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Items Returned Unpaid

With respect to any item that I transmit to Morton Lane FCU for remote deposit that is credited to my Account, in the event such item is dishonored, I authorize Morton Lane FCU to debit the amount of such item from my Account and assess the returned item fee disclosed in the Rate and Fee Schedule.

E-mail Address

I agree to update my email address in my home banking account online at mortonlanedirect.com immediately if I change my e-mail address, as this is the e-mail address where Morton Lane FCU will send me notification of rejected remote deposit items. I understand that my failure to notify the Credit Union 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. My email will be updated in settings in my account at mortonlanedirect.com. Login in account and click on settings.

Unavailability of Services

I understand and agree that the Services may at times be temporarily unavailable due to the Financial Institutions 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 branches or through an ATM, 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 Morton Lane FCU. However, Morton Lane FCU will provide e-mail notification of items that are rejected by the next business day following rejection.

Cut-Off Time and Credit to Your Account

Deposits received prior to 3:00 p.m. Eastern Time on a business day the Credit Union is open will be credited to my account on the same business day. Deposits received after 3:00 p.m. Eastern Time or any day the Credit Union is not open, including holidays, will be credited the next business day.

Funds Availability

The total amount posted during each Deposit Session will be credited to the selected account after each deposit image is verified and approved by Morton Lane FCU. Morton Lane FCU's policy is to make the funds from an image of an item you submit through the Service available to you four (4) business days after it posts to your account. If we are not going to make all of the funds from your deposit available on the fourth (4th) business day, we will notify you after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

- Morton Lane FCU believes a check I deposit will not be paid;
- I deposit checks totaling more than \$3,000 on any one day;
- I redeposit a check that has been returned unpaid;

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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.
I understand and agree that funds from Items deposited under the Mobile Remote Deposit Service are not subject to Federal Reserve Board Regulation CC (availability of funds).
Items submitted through the Remote Deposit Service are not subject to the Funds Availability Policy applicable to the Account.

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:

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. The amount, the payee, signature(s), date, and endorsement(s) on the original check are legible, genuine and accurate. 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. 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. 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. 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. The information I provided remains true and correct and, in the event any such information changes, I will immediately notify you of the change. I have not knowingly failed to communicate any material information to you. I have possession of each original check deposited using the Services and no party will submit the original check for payment. 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. 30 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.

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Warranties

I understand that Morton Lane FCU does 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.

Fees and Change in Terms

Morton Lane FCU may impose fees and charges for your use of this Service. Such fees are shown on Morton Lane FCU's Fee Schedule. Morton Lane FCU may change the terms and charges for the Services indicated in this Disclosure and Agreement by providing notifying 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.

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.

Unacceptable Deposits:

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

Morton Lane FCU Check Drawn on the Same Morton Lane FCU Account – The deposit of a check that is drawn from and deposited to the same accountholder's account at Morton Lane FCU 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 Morton Lane FCU 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 in person or by mail. Foreign checks are sent for collection causing a delay in the posting of the item.

Savings Bonds – Savings bonds are not accepted through remote deposit.

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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 Morton Lane FCU will accept the deposit.

Morton Lane FCU Check Drawn on Personal Account (Business Accounts Only) – The deposit of a personal check that is drawn on the accountholder’s personal checking at Morton Lane FCU is PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.

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.
