

# Mobile Deposit – Agreement & Terms of Service



This Agreement is entered into between Wings Financial Credit Union and any person who has enrolled in this service through Wings Digital Banking. Our Digital Banking Agreement and Terms of Service contains terms, definitions, and conditions applicable to this Agreement; all are hereby incorporated into this Agreement.

Please read this Agreement carefully and print or save it for future reference. By clicking "I Agree" or enrolling in this service you are acknowledging and agreeing that the terms and conditions outlined in this Agreement will apply to and govern your use.

Please contact Wings with any questions at 1 (800) 692-2274.

Mobile Deposit allows you to deposit checks to your Wings savings or checking accounts. Mobile Deposits may be made by using a supported camera-enabled Mobile Device with our downloadable Software to capture electronic images of paper checks and to transmit such images and other information required hereby to us or our designated processor (a "Processor").

You acknowledge and agree that a deposit made by you using Mobile Deposit is not an "electronic funds transfer" as that term is defined in Consumer Financial Protection Bureau's Regulation E.

The terms "us", "our" and "Processor" may be used interchangeably when used in relation to any services performed by a Processor on our behalf including, but not limited to, the receipt and processing of images and check data and any notices related thereto.

The Mobile Device must capture an image of the front and back of each Check ("Check Images") to be deposited in accordance with the procedures outlined in this Agreement. After capture of the Check Images and all other required data and information from the paper Check, you will transmit for Mobile Deposit the Check Images and all other required data and information from or pertaining to the Check to us or our Processor using the Software installed on your Mobile Device. Subject to compliance with the terms, provisions and conditions of this Agreement, we will provisionally credit the account designated by you for the amount of the Mobile Deposit on the day of receipt of the Mobile Deposit and enter the Check Images of the Check into the collection process, in accordance with the provisions of our then current Account Documentation pertaining to the account into which the Mobile Deposit is to be made.

You acknowledge and agree that we may discontinue, and/or change the terms of Mobile Deposit or any related content, features, products, or services associated therewith, at any time without notice or liability to you or any third party.

- 1. Activation and Eligibility.** Accounts with excessive returned checks or ACH transactions, negative balances, or other negative account history at the individual or overall account level will not be granted access to use Mobile Deposit. Accounts granted access to Mobile Deposit may be denied future transactions if the Accounts are no longer in good standing.
- 2. Checks Deposited and Security Interest.** When using Mobile Deposit, you hereby agree that you will only scan and deposit a check as that term is defined in Federal Reserve Board Regulation CC (each a "Check" and, if more than one, "Checks"). You cannot deposit money orders using Mobile Deposit. You agree that the Check Images of the Check that are transmitted to us shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code. You further agree that you will not use Mobile Deposit to deposit any Checks that:
  - a. are payable to any person or entity other than the account owner,
  - b. are drawn, or otherwise issued, by you on any account of yours maintained at another financial institution,
  - c. are prohibited by our then current Procedures pertaining to Mobile Deposit or are in violation of any law, rule, or regulation,
  - d. you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the Checks are drawn,
  - e. have been previously endorsed by a bank (or other institution) and are either "substitute checks" (as defined in Regulation CC or other applicable federal law or regulation) or "image replacement documents" that purport to be substitute checks, without our prior written consent,
  - f. are drawn on financial institutions that are located outside of the United States or territories of the United States,
  - g. are not payable in US Dollars, and
  - h. are not acceptable to us for deposit into an account as provided in the Account Documentation (Checks described in clauses (a) through (h) each a "Prohibited Check" and, collectively, "Prohibited Checks").

If you deposit a Prohibited Check, you agree to indemnify and reimburse us for, and hold us harmless from and against, any and all losses, costs, and expenses (including reasonable attorney's fees) we may incur associated with any warranty, indemnity or other claim related thereto. You grant us a security interest in all accounts or other deposits of yours at Wings, and in all funds in such accounts or other deposits, to secure your obligations to us under this Agreement. This security interest will survive termination of this Agreement.

- 3. Scanning of Checks and Transmission of Check Images.** You shall properly download and use all Software required by this Agreement or otherwise, required for or related to, the use of Mobile Deposit. Before capturing a picture of the Check Images, you shall endorse the Check with your name and the legend "Mobile Deposit Only at Wings CU." You shall then capture the Check Images of the Checks to be deposited via Mobile Deposit and transmit the Check Images and any other required data and information from or pertaining to such Checks to us in accordance with the Procedures. We reserve the right to amend the Procedures, with or without prior notice to you. To ensure accuracy, you shall key the amount of each Check and any other information required using the Software prior to transmitting the Mobile Deposit in accordance with the Procedures.

We reserve the right to impose limits on the amount(s) and/or number of Mobile Deposits that you transmit and to modify such limits from time to time (collectively defined as the "Limits"). You may send multiple Mobile Deposits to us throughout the day, not to exceed the Limits. We may, at our option, refuse to accept a Mobile Deposit that exceeds the Limits, or we may accept and process the Mobile Deposit. You agree that items transmitted using Mobile Deposit are not subject to the funds availability requirements of Federal Reserve Board Regulation CC.

A Mobile Deposit is considered received by us on the Business Day when a confirmation message is generated. If the deposit is not made on a Business Day, it will be considered to be received on the next Business Day. For purposes of determining when a Mobile Deposit has been delivered and received, our records shall be determinative. We reserve the right to change Limits. All such changes shall be effective immediately and may be implemented prior to your receipt of notice thereof except as otherwise required by law. You may contact us at any time to verify your Limits.

- 4. Maintenance and Destruction of Original Check.** You shall stamp the original Check "Processed" after the process of transmitting the Check Images to us. You shall securely store all original Checks for a period of ten (10) days after you have received notice from us that the Mobile Deposit containing the Check Images has been accepted (such period the "Retention Period"). During the Retention Period, you shall take appropriate security measures to ensure that: (a) the original check is secured, (b) the information contained on such Checks shall not be disclosed, (c) such Checks will not be duplicated or scanned more than one time and (d) such Checks will not be deposited or negotiated in any form. You will destroy original Checks after expiration of the Retention Period.

You hereby indemnify us for, and hold us harmless from and against, any and all claims, demands, actions, causes of action, losses and damages, of whatever nature or kind, and regardless of the theory upon which the same is (are) based, caused directly or indirectly by, arising out of, related to, in connection with or resulting wholly or partially from, the destruction of original Checks by you. You will promptly (but in all events within 5 Business Days) provide any retained Check (or, if the Check is no longer in existence, a replacement Check, or a sufficient copy of the front and back of the Check) to us as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check.

- 5. Image and MICR Quality.** Check Images of each Check shall be of such quality that the following information can clearly be read and understood by sight review of such Check Images:

- a. the amount of the Check;
- b. the payee of the Check;
- c. the signature of the drawer of the Check;
- d. the date of the Check;
- e. the Check number;
- f. the information identifying the drawer and the paying bank (or other institution) that is preprinted on the Check, including the magnetic ink character recognition ("MICR") line; and
- g. all other information placed on the Check prior to the time the Check Images of the Check are captured, such as any required identification written on the front of the Check and any endorsements applied to the back of the Check.

You shall be responsible for the inspection of all Check Images to ensure the legibility of the Check Image including without limitation the dollar amount and signature of the person who signed the Check (the "drawer"), and for ensuring that any and all information on a paper Check is accurately captured and legible in the resulting Check Image and otherwise complies with any Check Image quality standards and guidelines that may be established by American National Standards Institute, ECCHO Rules, the Federal Reserve, other applicable regulatory agency or clearinghouse, or that we may provide to you from time to time.

You acknowledge that current image technology may not capture all security features (e.g., watermarks) contained in the original paper checks, and agree to assume any and all losses resulting from claims based on security features that do not survive the image process.

- 6. Receipt of Mobile Deposit.** After we receive your Mobile Deposit, we will review the Check Images and other information contained therein. For each Mobile Deposit that we determine is eligible for processing as described in this Agreement, we will: (i) create a substitute Check that we will present directly or indirectly to (a) the institution on which the original Check to which the Check Images relate is drawn, or (b) the institution at or through which the Check is payable (each, the "Paying Institution"); (ii) include the Check Images in an electronic file for presentment directly or indirectly to the Paying Institution; or (iii) present or post any Check Images for which we are the Paying Institution. You agree that you shall be solely liable for, and we shall not have any liability whatsoever to you for, any Mobile Deposit or Check Images or other information contained therein that are not received by us in accordance with the terms of this Agreement or for Mobile Deposits or Check Images or other information contained therein that are intercepted or altered by an unauthorized third party.

You agree that we have no obligation to accept a Mobile Deposit and, therefore, may reject any Mobile Deposit or Check Images or other information contained therein submitted by you. We shall have no liability to you for the rejection of a Mobile Deposit or Check Images or other information contained therein or for the failure to notify you of such rejection.

Upon receipt of a Mobile Deposit submitted by you, we may examine such Mobile Deposit and the Check Images and other information contained therein to ensure that you have complied with this Agreement and followed the Procedures. If we determine that you have not complied with this Agreement or followed the Procedures or if errors exist in the Check Images or other information contained in the Mobile Deposit, we, in our sole discretion, may either reject the Mobile Deposit or elect to correct the error and accept and process the corrected Mobile Deposit (a "Corrected Mobile Deposit"). As a form of correction, we may credit your account for the full amount of the Corrected Mobile Deposit and make any necessary adjustments to the account to correct the error.

We may, at our option, also perform a risk management analysis of Mobile Deposits submitted by you to detect potentially fraudulent Checks, and, in our sole discretion, we may reject any such Mobile Deposit, or the Check Images or other information contained therein. If after examination of a Mobile Deposit and the Check Images and other information contained therein, we determine that you have complied with this Agreement and processed and transmitted the Mobile Deposit in accordance herewith and with the Procedures, we shall accept the Mobile Deposit for deposit to your designated account.

Notwithstanding the fact that we have accepted a Mobile Deposit for processing, any credit made to your account shall be provisional, and you shall remain liable to us for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, us.

- 7. Availability of Funds.** We are notifying you in advance that Mobile Deposits do not fall under the standard provisions of Regulation CC – Expedited Funds Availability Act. As such, longer hold periods may apply. In general, if a Check Image of an Item you transmit is received and accepted on a Business Day that we are open, we consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next Business Day we are open. Funds deposited using Mobile Deposit will generally be made available within three to five Business Days from the day of deposit. We may make such funds available sooner based on such factors as credit worthiness, 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.

You acknowledge that all credits given by us for an Item are provisional, subject to verification and final settlement.

- 8. Laws, Rules and Regulations.** You agree to comply with all existing and future operating procedures used by us for processing of transactions. You further agree to comply with, and be bound by, all applicable state or federal laws, rules, regulations, orders, guidelines, operating circulars and pronouncements, affecting checks and drafts, including, but not limited to, all rules and procedural guidelines established by the Board of Governors of the Federal Reserve and the Electronic Check Clearing House Organization ("ECCCHO") and any other clearinghouse or other organization in which we are a member or to which rules we have agreed to be bound. These procedures, rules, and regulations (collectively the "Rules") and laws are incorporated herein by reference. In the event of conflict between the terms of this Agreement and the Rules, the Rules will control.

- 9. Collection of Checks.** We, in our sole discretion, shall determine the manner in which Images shall be presented for payment to the drawee bank (or other institution). We, in our sole discretion, shall select the clearing agents used to collect and present the Check Images, and our selection of the clearing agents shall be considered to have been designated by you. We shall not be liable for the negligence of any clearing agent. Collection of Checks is also subject to the Rules and the terms of the Account Documentation governing your accounts.

- 10. Contingency Plan.** You acknowledge that, in the event you are not able to capture, process, produce or transmit a Mobile Deposit to us, or otherwise comply with the terms hereof or of the Procedures, for any reason, including, but not limited to, communications, equipment or software outages, interruptions or failures, you may deposit original Checks with us at one of our branch locations or through one of our ATMs until such time that the outage, interruption or failure is identified and resolved. You hereby acknowledge and agree that we shall not be liable to you for any loss or damage of any nature sustained by you as the result of your inability to use Mobile Deposit. The deposit of original Checks at an office of Wings shall be governed by the terms and conditions of your other Account Documentation and not by the terms of this Agreement. Notwithstanding the foregoing, and to the extent applicable, Section K below dealing with warranties shall apply to the deposit of original Checks. It is your sole responsibility to verify that Check Images transmitted using Mobile Deposit have been received and accepted for Mobile Deposit.

- 11. Warranties.** You represent, warrant, and covenant the following to us:

- a.** Checks Deposited – You shall only deposit Checks that are authorized by this Agreement, the Procedures, and the Account Documentation;
- b.** Image Quality – Check Images transmitted by you to us contain an accurate representation of the front and the back of each Check and comply with the requirements of this Agreement;
- c.** Accuracy of Information – All data and other information submitted by you to us, including, but not limited to, data contained in the MICR line of each Check is complete and accurate and complies with the requirements of this Agreement;
- d.** No Duplicates – You will not: (i) create duplicate Check Images of the Checks, (ii) transmit duplicate Check Images to us, or (iii) deposit or otherwise negotiate the original of any Check of which Check Images were created and transmitted to us for Mobile Deposit. You further warrant that no subsequent transferee, including but not limited to us, a collecting or returning bank (or other institution), drawer, drawee, payee, or endorser, will be asked to pay the original Check from which the Check Image(s) were created or a duplication (whether paper or electronic, including ACH entries) of the Check(s);

- e. No Loss - No subsequent transferees of the Check(s), including but not limited to us, a collecting or returning bank (or other institution), drawer, drawee, payee, or endorser, shall sustain a loss as the result of the fact that the Check Images were presented for payment or returned instead of the original Check;
  - f. Information - All information provided by you to us is true, complete, and accurate;
  - g. Authority and Legality - (i) this Agreement is valid and enforceable against you in accordance with its terms; and (ii) the entry into, and performance of, this Agreement by you will not violate any law, or conflict with any other agreement, to which you are subject;
  - h. Transaction - All Checks and transactions of yours are, and will be, bona fide. All signatures on Checks are authentic and authorized;
  - i. Rule Compliance - You submit Check Images in compliance with this Agreement, the Procedures, applicable law, and the Rules;
- 12. Returned Checks.** If Checks deposited by you using Mobile Deposit are dishonored or otherwise returned unpaid by the drawee bank (or other institution), or are returned by a clearing agent for any reason, including, but not limited to, issues relating to the quality of the Check Images, you understand and agree that, since you either maintain the original Check or have destroyed the original Check, the original Check will not be returned.

We may charge your account for any and all returned Checks, along with any returned check fees authorized by the Account Documentation.

You understand and agree that any returned Checks will be in the form of a substitute Check. Unless otherwise instructed by us, you agree not to deposit the original Check if the Check Images were previously transmitted to us using Mobile Deposit and returned for any reason.

- 13. Confirmation.** Account Reconciliation. We will provide notice of receipt of Mobile Deposits to your account on your periodic statement. You are responsible for detecting and reporting to us any discrepancy between your records and the records we provide to you. If you do not detect and notify us of such a discrepancy within 30 days of your receipt of any terminal printout, mailed report or periodic statement, whichever is received first, then such transactions shall be considered correct, and you shall be precluded from asserting such error or discrepancy against us.