

# **Redbrand Credit Union Mobile Deposit Capture Agreement**

Last Update: 2/1/2023

Mobile Deposit Capture Agreement (the “Agreement”) governs your use of the mobile deposit capture service that Redbrand Credit Union (“us” or “we”) may provide to you (“you” or “your”). Your use of this service constitutes your acceptance of the terms and conditions of this Agreement. This Agreement is in addition to any other agreements, terms, conditions and disclosures already in place between you and Redbrand CU. If there is a conflict between any other agreement you have with us and this Agreement, the terms and conditions of this Agreement will govern your use of the mobile deposit capture service. The terms of service and this Agreement are subject to change at any time.

**Please read this agreement carefully, paying particular attention to deposit requirements, timelines, the processing of submitted items and the availability of funds.** A copy of this Agreement is available during business hours by contacting Redbrand CU. It is also available 24/7 on our website:

[www.redbrandcu.com/disclosures.html](http://www.redbrandcu.com/disclosures.html).

## **Definitions:**

“You” and “Your” refers to those that have ownership of account(s) on which MDC is used or have formally been established as authorized user(s) of said account.

“We”, “us” and “our” refers to Redbrand Credit Union and its employees, representatives, processors or affiliates.

**Mobile Deposit Capture (MDC)** allows qualified members to deposit checks into an eligible Redbrand CU account via Mobile Banking. Understand that items deposited via MDC are not Electronic Funds Transfer Items as defined by Federal Reserve Board Regulation E.

**Mobile Banking:** Mobile Banking is the mobile device app which allows account owners, and others with access authority, to access their Redbrand CU accounts; allowing access to balances, history, account transfers, bill pay & Mobile Deposit Capture.

## **Mobile Deposit Processing:**

**Eligibility and Enrollment:** Not all members will qualify for MDC. Eligibility is based on a number of factors. We reserve the right to cancel the service at any time. Transactions done prior to termination of service are bound by this Agreement.

**Technology Requirements:** Mobile Device with acceptable camera, sufficient storage and that is running up to date operating system which allows access to MDC via Redbrand CU Mobile Banking installed. All required hardware and software, including maintenance and expense, is the responsibility of the accounts owner(s).

**Limits:** To best protect our members & the credit union from potential losses, conservative limits are in place for MDC. Both dollar amount of checks and the number of checks are included in these limits. Accounts are evaluated for limits after enrollment. Users will receive a message from us that includes limit information. Redbrand CU reserves the right to change access limits at any time.

**Eligible Checks:** You agree to scan and deposit only original checks payable to you in U.S. Dollars and drawn on an U.S. financial institution. You agree that the image of the check transmitted to Redbrand CU shall be deemed an “item” within the meaning of Articles 3 and 4 of the Uniform Commercial Code.

You agree that you will **NOT** use MDC to scan and deposit any of the following ineligible checks or items described below:

**Items Excluded from Submission:**

- Courtesy Pay checks drawn off accounts on which you are an owner.
- Checks drawn off of another Redbrand CU account on which you are an owner.
- Checks drawn from same account as deposit.
- Checks lacking proper endorsement.
- Checks made payable to Cash.
- Items stamped “non-negotiable”.
- Checks made payable to someone other than an owner on the account.
- Two Party Checks.
- Altered, stolen, counterfeit or fraudulent items.
- Incomplete Checks.
- Checks in which written amount (legal) does not match the numeric amount.
- Checks previously converted to a substitute check as defined in the Federal Reserve Board’s Regulation CC, 12 C.F.R. §229.1 *et seq.* (“Regulation CC”).
- Checks drawn on a financial institution outside the United States.
- Checks not payable in US Currency.
- Remotely Created Checks.
- Staledated Checks (checks dated more than 6 months prior to deposit).
- Postdated Checks (checks dated later than date of deposit).
- Checks that were previously deposited.
- Savings Bonds, Traveler’s Checks, Money Orders or USPS Money Orders.
- US Treasury Checks
- Any check that is not acceptable for deposit under the terms of the Member Service Agreement.

**Endorsement:** All checks deposited via MDC must contain a restrictive endorsement. You agree to have ALL payees sign the back of the check with the words “For Mobile Deposit at Redbrand CU Only” below the signatures. Checks with a check box for mobile deposit should have the box marked, along with the words “at Redbrand CU.” Checks lacking proper endorsement will be rejected.

**Check Submission:** MDC is accessed via Mobile Banking. Once logged in, you may access MDC by clicking “Deposit” from the menu at the bottom of your screen. You will then select the account which you would like the deposit to be made. After which, you will enter the dollar amount of the check. Please note, the written value (not numeric) is the legal amount of the check.

Next you will capture an image of the front and the back of the check. Checks being submitted via MDC must contain a restrictive endorsement, see “Endorsement” section for detailed information. Images should be captured in an environment that includes plenty of light. All edges of the check must be visible in the image. Aside from the background (typically a desk or similar surface) and the check, no other items should be in the image. It is recommended that you review the images of the check for clarity prior to submission. Understand that low quality images may be rejected; therefore, low quality images should be replaced with a new image.

Once ready, you will click on the “Submit” button to send the image to Redbrand CU.

After the check is submitted, it is recommended that you keep the original check for at least fourteen (14) days. Understand that checks contain sensitive information, and they should be kept in a secure location. After the retention period, checks may be securely destroyed (ex: shredded). Prior to destruction, please verify that funds have been credited to the account and boldly write “VOID” across the face of the check.

Please note that submitted checks may be rejected for a number of reasons, including but not limited to: image clarity, completeness of information, and for checks that are in excess of limits.

**Posting/Availability of Funds:** Checks submitted via MDC will not immediately post to accounts. Checks submitted prior to cut-off time will be reviewed the afternoon of the same business day. All checks are subject to review. Checks are reviewed per Redbrand Credit Union Receiving Checks procedure. Once reviewed, checks are subject to one (1) of the following actions:

1. **Reject.** Checks may be rejected for the following reasons: missing proper endorsement, unable to clearly read image, missing information, any reason listed under “Excluded Items” in this Agreement or any other reason to doubt collectability. **Further, we reserve the right to reject any item transmitted through MDC, at our discretion, without any liability to you.** If a check is rejected, Redbrand CU will attempt to contact the account holder as soon as possible. Contact method may include, but are not limited to: email, telephone call, SMS message, Home Banking Secure Message and USPS mail.
2. **Deposit with Hold.** Checks may be subject to hold for the following reasons: your account has recently been opened, you do not have comparable account history, the check is a large dollar amount, you do not have sufficient funds in your account to cover the checks being submitted in the event it is returned, unable to verify funds, your account is not in good standing, there has been derogatory activity in your account, there have been multiple returned items on your account, activity that is suspected to be fraudulent, we suspect you are a victim of fraud, our region is under emergency management or any other reason to doubt collectability. Checks accepted for deposit will post to accounts, with applicable holds in place, by end of business day on the day of review.

If a check is accepted with a hold in place, you will receive two emails. The first will be an automatic message stating that it has been accepted. Shortly after, a message will be generated by our MSR notifying you of the date the funds will be available. Additionally, a formal hold notice will be mailed.

3. **Deposit with no Hold.** Checks accepted for deposit will post to accounts by end of business day on the day of review.

Item status can also be viewed by clicking the “history button” on the deposit screen. Please note, if an item was accepted with a hold in place, the hold will not display in this area. On your accounts screen, you will see that the check amount, or the amount that is on hold, does not reflect as available. A message will be sent by our MSR with additional details, in addition to the formal notice, which is mailed.

**Cut-Off Times:** Checks submitted on banking days prior to 4:00 PM CT will be reviewed that day. Checks submitted after 4:00 PM CT will be reviewed by end of day the next banking day.

**Banking Days:** Banking days are days in which the Federal Reserve is open for processing. Generally, this is Monday – Friday, excluding Federal Holidays. Federal Holidays include: New Year’s Day, Martin Luther King Day, President’s Day, Memorial Day, Juneteenth Independence Day, Independence Day, Labor Day, Columbus Day, Veteran’s Day, Thanksgiving Day & Christmas Day.

In addition to the above Federal Holidays, Redbrand CU is closed the following days: Friday after Thanksgiving, Christmas Eve and New Year’s Eve. These are non-banking days. Deposits made on non-banking days will be processed the next banking day. For example, a deposit made the morning of Christmas Eve will be processed on the next banking day. The next banking day is typically December 26<sup>th</sup>, unless it falls on a Saturday or Sunday.

Redbrand CU may close for reasons other than listed above. For example, the credit union may close due to weather conditions. Deposits made when Redbrand CU is not open for business will be reviewed the next business day.

**Return Items:** Checks deposited at Redbrand CU via MDC may be rejected by the drawee bank. Commonly referred to as returned checks, or returned items, these items will be handled according to Redbrand CU’s Member Service Agreement. Return items may affect your future eligibility of MDC.

**Abuse of MDC:** Any abuse of the use of MDC will result in termination of service. Abuse may include, but is not limited to: attempt to deposit checks which may cause a loss to the credit union, including: checks for which there are not sufficient funds, checks drawn off of a closed account, checks that are altered, checks that include forged signatures and items that are counterfeit. Additionally, abuse includes malicious activity against Redbrand CU, including, but not limited to, attempts to transmit any computer virus or malware via MDC. Any abusive, illicit or illegal activity will result in prosecution to the fullest extent of the law.

**Errors:** If you believe that a deposit has been processed incorrectly or received in error, you agree to contact us immediately at (309) 697-1447. You should review and reconcile your accounts at least monthly. Any errors or discrepancies should be reported to us within thirty (30) days. If you do not report an error during this time frame, we will consider the transaction final and you are prohibited from making any claim against us for the alleged error.

**Availability of Service:** From time-to-time MDC may not be available. In the event MDC is not available we will do our best to restore service as quickly as possible. By using MDC you accept the risk that check(s) may not be transmitted properly. We will not assume responsibility or liability for any technical errors or other difficulties or any resulting damages that you may occur.

**Fees:** Redbrand CU does not charge fees for MDC services. Redbrand CU is not responsible for any fees that your wireless provider may charge you.

**Additional Terms & Conditions:**

**Cooperation with Investigation:** You agree to cooperate and assist Redbrand CU with the investigation of unusual transactions, poor quality of transmissions and resolution of your claims, including by providing, upon request, any records relating to such items and transmissions.

**Limitation of Liability:** You agree to hold Redbrand CU harmless from any losses resulting from rejected items, returned items, delays or errors in transmission or any fees or expenses resulting from such items and transmissions.

**User Warranties and Indemnification:** You warrant to Redbrand CU that you will:

- Only transmit eligible items.
- Not transmit duplicate items.
- Not re-deposit or re-present the original item.
- Provide true, accurate and complete information to Redbrand CU and you are not aware of any factor that could impair the collectability of the item.
- Comply with this Agreement and all applicable rules, laws and regulation.
- Indemnify and hold harmless Redbrand CU from any loss for breach of this warranty provision.

The foregoing indemnities shall survive termination of MDC services.

**Termination:** Redbrand CU reserves the right to terminate the service at any time any for any reason.

**Ownership and License:** You acknowledge and agree that all intellectual property rights in MDC are and remain the exclusive property of us. Nothing in this Agreement intends to or shall transfer any IP Rights to, or to vest any IP Right in, you. You are only entitled to the limited us to the rights granted to you in this Agreement. You will not take any action to jeopardize, limit or interfere with the IP Rights. You acknowledge and agree that any unauthorized use of the IP Rights is a violation of this Agreement, as well as a violation of applicable intellectual property laws. You acknowledge and understand that all title and rights in and to any third-party content that is not contained in MDC, but may be accessed through MDC, is the property of the respective content owners and may be protected by applicable patent, copyright or other intellectual property laws and treaties.

You agree not to sell, assign, rent, lease, distribute, export, import, act as an intermediary or provider, or otherwise grant rights to third parties regarding MDC or any part thereof without our prior written consent.

You agree not to undertake, cause, permit or authorize the modification, creative of derivative works, translation, reverse engineering, decompiling, disassembling, or backing of MDC, or any part thereof. You agree not to intercept, capture, emulate, or redirect the communications protocols used by us for any purpose.

We reserve the right to add or delete features or functions, or to provide programming fixes, updates, and upgrade to MDC. You acknowledge and agree that we have no obligation to make available to you any subsequent version of the MDC. You also agree that you may have to enter into a renewed version of this Agreement if you want to download, install, or use a new version of MDC.

You grant to us a nonexclusive, perpetual, non-revocable, royalty free license to use, retain and share any information transmitted through MDC by you, including your location, device-based location information, account numbers, name date, account amount, and endorsements solely for the purpose of providing MDC. This license shall survive termination of this Agreement for such period as necessary for us to provide MDC, comply with the law, or comply with internal guidelines or procedures.

**Amendments:** We may amend any of the terms and conditions of this Agreement. We will provide notice to you and you agree that your continued use of MDC will indicate your consent to be bound by the terms of the revised Agreement.