



## Mobile Check Deposit Agreement

This Mobile Check Deposit Agreement ("Agreement") is entered into between NorthPark Community Credit Union ("Credit Union") and the NorthPark Community Credit Union Member(s), as described in the deposit account agreement and disclosure for the account(s) of its Member(s). In the event of conflicts between the terms of this Agreement and the terms of the Deposit Account Agreements or Funds Availability Agreement, the terms of this Agreement shall control.

Credit Union offers the Mobile Check Deposit Service ("Service") for the conversion of checks to substitute checks or image exchange items, which would enable the Member to transmit paper checks converted to imaged items to the Credit Union for processing and deposit into the deposit account of Member maintained at the Credit Union .

### Mobile Check Deposit Service

- The NorthPark Mobile Check Deposit Service is available at the sole discretion of the credit union. As a general rule, this service will not be available until after at least 60 days of account activity and may be discontinued at any time the credit union deems necessary.
- Member's Account will be provisionally credited in alignment with our Funds Availability Policy Disclosure upon Credit Union 's acceptance of Imaged Items for deposit which are received by Credit Union from member through the Service.
- Member will create images of checks at member's location by use of scanning software via the NorthPark Community Credit Union Mobile application. Member agrees to enter all amounts and any other required information correctly.
- The imaged items will be transmitted by member to Credit Union, or Credit Union 's authorized processor, using an encryption software to protect the electronic file.
- Credit Union will maintain the appropriate account for member to receive credit and provide other specific information required by the Credit Union related to the Service. As set forth, all deposits received by Credit Union are accepted subject to Credit Union 's verification and final inspection and may be rejected by Credit Union sole discretion. All deposits are subject to the terms of the NorthPark Funds Availability Policy Disclosure and this Mobile Check Deposit Agreement.
- Credit Union will provide to member the services described in this Agreement to enable Member to transmit imaged items to Credit Union or the Credit Union 's designated processor to be cleared as substitute checks or image exchange items. Credit Union and Member will comply with the terms and provisions of this Agreement with respect to the use of the Product and the performance of the Services.
  - "Check" means an Original Check, as defined in Regulation CC, except that Check does not include a Substitute Check or a remotely created check. The Check Item can only be drawn on financial institutions within the United States.
  - "Imaged Item" means the digitized image of a check that is created by Member and transmitted to the Credit Union using the Mobile Check Deposit Service.
  - "Image Exchange Item" means a digitized image of an Item cleared and settled directly with a payor Financial Institution without conversion to a Substitute Check.

## Member Responsibilities

In connection with the Product and the Services, Member shall comply with the following:

- Member shall maintain one or more Credit Union accounts at Credit Union for the receipt of deposits of Items.
- Member will only submit Checks for processing to Credit Union that meet the definition of “Check” and will ensure that the Checks scanned meet the standards for image quality established by ANSI, The Board of Governors of the Federal Reserve, Regulation CC (subpart D) and other pertinent regulatory agencies.
- Member will not attempt to scan and transmit to Credit Union any previously truncated and reconverted Substitute Check. Any previously truncated and reconverted Substituted Check must be physically deposited with the Credit Union. Notwithstanding the foregoing, Credit Union may redeposit any returned Substitute Check or Image Exchange Item consistent with the terms of the Deposit Account Agreements.
- Member is required to ensure the check(s) are restrictively endorsed in the proper location on the back of the item with the following:
  - Payee signature must also be on every check presented for mobile deposit
  - "For Mobile Deposit Only" to NorthPark CCU
- The image of an item transmitted to NorthPark Community Credit Union using the Service:
  - The image must be clear and legible.
  - The image quality of the item(s) must comply with the requirements established from time to time by ANSI, the Board of Governors of the Federal Reserve Board, NCUA or any other regulatory agency, clearing house or association.
- Member shall be responsible for verifying Credit Union 's receipt of Member's transmission(s) by verifying that deposits have been posted to the appropriate Accounts, in addition to cooperating in any investigation and resolving any unsuccessful or lost transmission with the Credit Union. Transmitting a file does not mean the Credit Union received the file.
- You agree to notify the Credit Union of any suspected errors regarding items deposited through the Services right away, and in no event later than 60 days after the applicable, NorthPark Community Credit Union account statement is sent. Unless you notify NorthPark Community Credit Union within 60 days, such statement regarding all deposits made through the Services shall be deemed correct, and you are prohibited from bringing a claim against NorthPark Community Credit Union for such alleged error.
- Member shall be responsible for installing and implementing any changes and upgrades to the Product and Services as required by the Credit Union within 5 days to ensure compliance with regulatory changes or developments, or to protect the integrity and security of the Product and Services. Member will ensure that the equipment for the Service is clean and operating properly and inspect and verify the quality of images and ensure that the digitized images of Items are legible for all posting and clearing purposes.
- Member shall exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by the Credit Union or otherwise required for use of the Service and shall further prevent the use of the Service by unauthorized persons. Member assumes full responsibility for the consequences of any missing or unauthorized use of or access to the Service or disclosure of any confidential information or instructions by Member, its employees and agents.
- Member understands and agrees that an Item that is not paid by a Payor Financial Institution, or is otherwise returned for any reason, will be returned to Member and Member's Account charged for the amount of the Item plus any associated fee as disclosed in Credit Union 's schedule of fees. Credit Union 's right to charge the Account of Member will apply without regard to whether the Item is timely returned to Credit Union or whether there is any other claim or defense that the Item has been improperly returned to Credit Union.
- Member represents, agrees and warrants to Credit Union that (except as otherwise specifically disclosed in writing to Credit Union ) Member is not now engaged, and will not during the term of this Agreement engage, in

any business that would result in Member being or becoming a “money service business” as defined in the Federal Credit Union Secrecy Act and its implementing regulations.

- Member will not engage in any activity directly or indirectly related to the use of the Service that is illegal or fraudulent.
- Member will not submit any Non-Qualifying Items. Credit Union's processing of any Imaged Item that meets the definition below of such item, shall not constitute a waiver by Credit Union or obligate it to process such Non-qualifying Items in the future. Credit Union may discontinue processing of Non-qualifying Items at any time, without cause or prior notice.
  - “Non-qualifying Item” means any Foreign Check Item, Savings Bond (E, EE, HH, etc.), Third Party Check Item (Double Endorsement Check Item) and Member’s own Check issued by and drawn on the Member and/or its affiliates.
- There will be no duplicate presentment of a Check in any form, including as a digitized image, as a paper negotiable instrument or otherwise and Member assumes responsibility for any such duplicate presentment of any Check.
- The Original Check contains no alterations.
- All data and other information submitted by Member to Credit Union, 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.
- To ensure accuracy, Member shall balance the dollar amount of each deposit to the sum of the checks prior to transmitting the File. Member may send multiple Files to the Credit Union or Processor throughout the day.

#### Deposit Limits

- Member shall not make deposits in excess of the following deposit limits (the “Deposit Limit”):
  - “Maximum dollar Amount Per Item Limit” - \$1,000.00
  - “Maximum # Items Per Day” – Six (6)
  - “Maximum dollar Amount Per Day Limit” - \$2,000.00
  - “Maximum dollar amount rolling 30-Day Limit” - \$5,000.00
- If the total dollar value of the file sent by Member to the Credit Union exceeds the Deposit Limit, Credit Union may, at its option, refuse to accept the file that exceeds the Deposit Limit, or Credit Union may accept and process the File. Member agrees not to exceed the Deposit Limit.

#### Processing Times

- The Service is available for use only on NorthPark Community Credit Union business days, except during maintenance periods, or such other hours as established by Credit Union from time to time.
- Any check deposited via this Service must be submitted no later than 11:30am EST for the morning batch posting and no later than 3:30pm EST for the afternoon batch posting. Any check received after the 3:30pm ESTS cut off will not be considered for deposit until the 11:30am EST morning batch posting, unless extended holds apply. The extended hold policy will follow the NorthPark Funds Availability Policy Disclosure.
- Transmissions processed after these hours on a business day (Monday thru Friday) or on any day that is not a business day, are treated as occurring on the next business day.
  - Credit Union business hours are listed at: <https://www.northparkccu.org/connect/locations-hours.html> or can provided in writing upon request from the Member.
  - \*Please note - Credit Union holiday schedule is published annually which serves as notice to the Member of holiday hours which are not considered a “business day”.
- Imaged Items processed for deposit through the Service will be deemed to have been received by Credit Union for deposit at the time the Imaged Items are actually received and accepted at the location where Credit Union or its designated agent posts the credit to the Account. A deposit of Imaged Items will be deemed to have been received and accepted by Credit Union for deposit when all of the following have occurred: Credit Union has preliminarily verified that the image quality of the Imaged Items is acceptable to Credit Union in its discretion, all

Item information is complete and the deposit totals are balanced to the Item information provided for the deposit; and (ii) Credit Union has successfully performed all further validation routines with respect to the deposit. Notwithstanding the foregoing, Imaged Items received by Credit Union for deposit may be rejected by Credit Union in Credit Union 's sole discretion.

- Items will be processed and ready for presentment by Credit Union after Credit Union receives all good digitized images and associated data for any given transmission from Member. Credit Union will use commercially reasonable efforts to present Items for payment to the applicable Endpoint within a reasonable period of time following such receipt.
- If an Imaged Item is not accepted for deposit, Member may then submit the Original Check to Credit Union for processing or contact the maker to reissue the Check. If Member submits the Original Check for processing, Credit Union reserves the right to refuse to process the Check for deposit and presentment to the Payor Financial Institution and may instead require Member to have the maker reissue the Check.
- It is Member's responsibility to understand and build into its transmission schedules the appropriate deadlines necessary to meet the availability schedules of Credit Union as set forth in the Deposit Account Agreements or as otherwise established by Credit Union. Member is further responsible for understanding and building into its transmission schedule the changes in transmission windows required by time changes associated with Daylight Savings Time.

#### **Fees and Charges**

- So long as this Agreement remains in effect, Member agrees to pay to Credit Union the normal deposit account service charges established from time to time by Credit Union and, in addition thereto, the fees and charges set forth in the Fee Schedule as provided from time to time hereafter to Member, and all such other fees and charges as may be agreed upon from time to time by Member and Credit Union .
- Member authorizes Credit Union to deduct any charges for Mobile Check Deposit Service from any Account, even if such deduction causes an overdraft in the Account. Should Member fail or refuse to pay any charges under this Agreement, Member agrees to pay all collection costs (including reasonable attorney's fees) which may be incurred by Credit Union. Credit Union shall have the right to increase or decrease charges imposed for Mobile Check Deposit Service and will notify Member of the changes, to the extent required by law. Member's use of Mobile Check Deposit Service after changes have been made shall constitute Member's agreement to the same.

#### **Credit Union Rights and Responsibilities**

- For all Imaged Items processed by Member pursuant to this Agreement; digitized images will be converted to Substitute Checks and presented for payment to established Endpoints, or Image Exchange Items will be presented for payment through image exchange networks. Credit Union may in its sole discretion determine the manner of processing. All such processing and presentment shall be done in accordance with timeframes and deadlines set forth in the Documentation and as otherwise established by the Credit Union from time to time.
  - "Substitute Check" means a paper reproduction of an Item that satisfies the requirements and definition of "substitute check" set forth in Regulation CC.
  - "Endpoint" means any Federal Reserve Bank, financial institution, local clearing house, courier or other entity or location for the delivery of cash letters or other presentment of Electronic Items or Substitute Checks.
  - "Image Exchange Item" means a digitized image of an Item cleared and settled directly with a payor Financial Institution without conversion to a Substitute Check.
- Unless otherwise agreed by Member and Credit Union, Credit Union will process any returned Items in accordance with applicable law and the Deposit Account Agreements.

- Availability of credit from Items processed under this Agreement will be subject to the availability schedule of Credit Union, which may be amended without notice.
- Credit Union may at its sole option, with or without cause, at any time and from time to time, refuse to process any Imaged Items. Credit Union may from time to time establish exposure limitations and assign them to Member.
- In addition to any other rights Credit Union may have as regards the Accounts of Member, Credit Union may hold and use funds in any deposit Account following termination of this Agreement for such time as Credit Union reasonably determines that any Item processed by Credit Union prior to termination may be returned, charged back or otherwise a cause for any loss, liability, cost, exposure or other action for which Credit Union may be responsible. Without limitation, Member recognizes that under the Rule, the UCC, Regulation CC and the rules of any image exchange network Credit Union 's representations and warranties as regards Image Exchange Items and Substitute checks may expose Credit Union to claims for several years following processing of the Image Exchange Item or Substitute Check.
- Credit Union shall be excused from failing to act or delay in acting if such failure or delay is caused by legal constraint, interruption of transmission, or communication facilities, equipment failure, war, emergency conditions or other circumstances beyond Credit Union 's control. In the event of any of the foregoing failure or delays, Member acknowledges that it may instead deposit directly with Credit Union any Original Items for processing and presentment provided such Original Items have not been previously imaged and processed in connection with the Product and Services. In addition, Credit Union shall be excused from failing to transmit or delay in transmitting an Item for presentment if such transmittal would result in Credit Union 's having exceeded any limitation upon its intraday net funds position established pursuant to Federal Reserve guidelines or if Credit Union 's otherwise violating any provision of any risk control program of the Federal Reserve or any rule or regulation of any other U.S. governmental regulatory authority.
- Credit Union may add, delete or change the features or functions of the Service, at any time in Credit Union 's sole discretion. If Credit Union deems it reasonably practicable to do so and if the change adversely affects Member's usage of the Service, Credit Union will notify Member of the change in advance. Otherwise, Credit Union will notify Member of the change as soon as reasonably practicable after it is implemented, which notice may be given electronically. Credit Union may cause the Service to be temporarily unavailable to Member, either with or without prior notice, for site maintenance, security or other reasons, and Member acknowledges that factors beyond Credit Union 's reasonable control, such as telecommunications failure or equipment failure, may also cause the Service to be unavailable to Member. Member may deposit Original Checks and other items to any deposit Account at Credit Union in person or in any other manner permitted by agreement between Member and Credit Union, and Member will be responsible for maintaining procedures and facilities to enable Member to do so if the Service is unavailable to Member.

### **Security Procedures**

- Member will be solely responsible for establishing, maintaining and following such security protocols as deemed necessary to ensure that output files transmitted directly to Credit Union are intact, secure and confidential until received by Credit Union.
- Member agrees to implement security procedures that Credit Union may offer to verify the authenticity of any output files transmitted to Credit Union in the name of Member. Regardless of the security procedures implemented by Member, Member agrees that Credit Union may rely on and Member will be obligated on the output file, whether or not the output file was authorized by Member. Also, if an output file was authorized by Member, Member will be obligated on the output file even if Credit Union did not verify its authenticity using the security procedures and even if the security procedures would have prevented error. Member agrees that the security procedures are intended to verify authenticity and not to detect error.
- Member shall comply with online instructions for using the Product and Service by taking reasonable steps to safeguard the confidentiality and security of any passwords, equipment, and other proprietary property or information provided in connection with the Service.
- Member shall limit access to any passwords and equipment to persons who have a need for such access, closely and regularly monitor the activities of employees who access the Service; notify Credit Union immediately if

Member has any reason to believe the security of confidentiality required by this provision has been or may be breached; and immediately change the password if Member knows or suspects the confidentiality of the Password has been compromised in any way. Security procedures are not designed for the detection of errors, e.g., duplicate transmissions of Imaged Items or errors in information provided to Credit Union. Credit Union is not obligated to detect errors by Member.

- Credit Union may elect, at Credit Union 's discretion, to verify the authenticity or content of any transmission by placing a call to any authorized signer on Member's Account or any other person designated by Member for that purpose. Credit Union may deny access to the Service without prior notice if unable to confirm any person's authority to access the Service or if Credit Union believes such action is necessary for security reasons.
- Member warrants each time Imaged Items are transmitted using the Product and Service that Credit Union 's security procedures are commercially reasonable (based on the normal size, type, and frequency of transmissions). Member agrees to be responsible for any transmission Credit Union receives through this Service, even if it is not authorized by Member, provided it includes a password or is otherwise processed by Credit Union in accordance with this security procedure.

### **Compliance with Law**

- Member shall comply with all laws, rules, and regulations applicable to Member, to the business and operation of Member, and to the Service, including, without limitation, Regulation CC, the Uniform Commercial Code and any rules established by an image exchange network through which Image Exchange Items are processed pursuant to this Agreement.
- Member shall have the responsibility to fulfill any compliance requirement or obligation that Credit Union and/or Member may have with respect to the Service under all applicable U.S. federal and state laws, regulations, rulings, including sanction laws administered by the Office of Foreign Assets Control, and other requirements relating to anti-money laundering, including but not limited to, the Federal Bank Secrecy Act, the USA PATRIOT Act and any regulations of the U.S. Treasury Department to implement such Acts, as amended from time to time.

### **Availability of Funds**

- You agree that items transmitted using the Services are not subject to the funds availability requirements of Federal Reserve Board Regulation CC.
- The Credit Union will hold the funds for up to seven business days from the date of deposit. In some instances, funds may be available sooner than seven business days based on such factors as credit worthiness, the length and extent of your relationship with NorthPark Community Credit Union and its affiliates, transaction and experience history, and such other factors as NorthPark Community Credit Union, in its sole discretion, deems relevant.
- Generally, if the funds from your deposit will be available later than the time shown above, NorthPark Community Credit Union will mail or deliver the notice as soon as practicable, but no later than the first business day following the day the facts become known to the depository bank, or the deposit is made, whichever is later.

### **Disposal of Transmitted Items**

- Member will retain each Original Check. Member will store Original Checks in a safe and secure environment for a minimum period of 60 days after such Item has been digitized and processed (Retention Period). Member shall take appropriate security measures to ensure that during the Retention Period: (a) only authorized member(s) shall have access to Original Checks, (b) that the information contained on such Original Checks or on any corresponding Imaged Items are not disclosed to third parties, (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. Member shall destroy Original Checks upon the expiration of the Retention Period applicable to such Checks. Member will use a commercially reasonable method which is consistent with any requirements of Regulation CC and approved by Credit Union to destroy Original Checks after Member's Retention Period. Member hereby indemnifies Credit Union for, and holds Credit Union 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 Member. Members will promptly (but in any event within 5 business days) provide any retained Original Check (or, if the Original check is no longer in existence, a sufficient copy of the front and back of the Original Check) to Credit Union as requested to aid in the clearing and collection process to resolve claims by third parties with respect to any Item or as Credit Union otherwise deems necessary.

- Upon your receipt of a confirmation from the Credit Union that we have received the image of an item, you agree to prominently mark the item as "Electronically Presented" or "DEPOSITED with the proper date" and properly dispose of the item to ensure that it is not represented for payment for at least 60 days after such Item has been digitized and processed. And, you agree never to represent the item. You will promptly provide any retained item, or a sufficient copy of the front and back of the item, to NorthPark Community Credit Union as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any item, or for NorthPark Community Credit Union's audit purposes.

#### **Term and Termination**

The term of this Agreement will commence upon full execution of this Agreement and will continue thereafter until terminated as follows:

- Member may terminate this Agreement at any time, with or without cause, upon notice to Credit Union.
- Credit Union may terminate this Agreement at any time immediately upon notice to Member, (including, without limitation if Credit Union discovers any breach of this Agreement by Member, willful misconduct, bad checks or fraudulent activities on the part of Member or any other party with respect to Items process by Member under this Agreement).
- Any termination will not affect any obligations arising prior to termination, such as the obligation to process any Items, that were processed or in the process of being transmitted or collected prior to the termination date, or any returns of the same. Upon termination, Credit Union may terminate Member's access to the Service, and Member will terminate its access to and use of the Product and Services, except to the extent necessary to process and collect Items that were in process prior to the termination date. Within 7 days after termination of this Agreement, Member will, at its expense, promptly uninstall and remove all software provided for the Service from its computers and return to Credit Union all hardware and equipment provided by Credit Union for the Service, including scanner, the Documentation and any materials relating to the Documentation in its possession or under its control, destroy all copies of the Documentation and materials relating to the Documentation that cannot be returned, and certify in writing to Credit Union that all copies have been returned or destroyed. Member will be responsible and liable to Credit Union for the replacement cost of all lost, stolen or damaged equipment that was provided by Credit Union to Member in connection with the Service.