

# Electronic Deposit Service Agreement



This Agreement between iQ Credit Union ("Credit Union") and Depositor governs the Electronic Deposit service ("Mobile Deposit", "Desktop Deposit" or "Service") provided to Depositor by Credit Union. By submitting the request for Electronic Deposit or by using the Service, Depositor agrees to the terms and conditions set forth in this Agreement. Credit Union may supply Depositor with additional online manuals, requirements, procedures, or specifications (collectively "Documentation") for use of the Electronic Deposit Service. All Documentation supplied by Credit Union is incorporated into this Agreement as if fully set forth herein. The Electronic Deposit Service is also subject to the terms and conditions of the iQ Credit Union Membership and Account Agreement or Business Membership and Account Agreement, as applicable. To the extent of any conflict, the provisions of this Agreement will govern the Electronic Deposit service.

1. **Equipment/Software.** All equipment used in connection with the Electronic Deposit service must satisfy technical specifications and requirements set forth in the Documentation. Such technical specifications and requirements may change from time to time in Credit Union's sole discretion. Depositor assumes responsibility for any loss, damages, claims, expenses, or liability arising from malfunction of Depositor's equipment. Credit Union will not be responsible in any manner for any deficiency caused in whole or in part by inaccurate or otherwise deficient data programs, equipment, or communication facilities provided by Depositor or parties other than Credit Union. In addition, Depositor agrees that Depositor will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the Electronic Deposit 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.
2. **Access to Service.** Electronic Deposit is accessed through the iQ Credit Union online banking service. A mobile version may also be available for authorized users. All terms, conditions, and technical requirements applicable to the online banking service also apply to the use of Electronic Deposit through online banking. Depositor shall maintain the confidentiality and security of any passwords, security information, or devices used to access the online banking service and the Electronic Deposit service.
3. **Eligible Items.**
  - a. **Type of Item.** Using the Electronic Deposit service, Depositor may deposit only items drawn on financial institutions located within the United States. Items deposited using Electronic Deposit must be payable in United States Dollars.
    - Ineligible items are:
      - Remotely created, or substitute checks.
      - Previously returned checks,
      - Checks payable to any person or entity other than you,
      - Checks that have been paid or negotiated previously,
      - Checks that are payable jointly, unless deposited into an account in the name of all the payees,
      - Checks on which a stop payment has been issued for,
      - Checks that are not dated, postdated, or dated more than six months prior to the date of deposit,
      - Checks that are marked "nonnegotiable",
      - Checks not drawn off a U.S. financial institution,
      - Checks containing obvious alteration to any of the fields on the front of the check.
  - b. **Item Quality.** Items deposited using the Electronic Deposit service must be legible and must be of sufficient quality to create an image that satisfies all applicable requirements under Federal Reserve Regulation CC, Federal Reserve Operating Circular No. 3, this Agreement, and any other written standards that Credit Union provides to Depositor.
  - c. **Endorsement.** Each item must be endorsed by or on behalf of depositor. The endorsement must include "For Remote Deposit Only at iQ Credit Union".

4. **Image Quality.** Depositor is responsible for creating images of checks to be deposited through the Electronic Deposit service. Each image of a check deposited through the Electronic Deposit service must accurately represent, in every respect, all the information on the front and back of the check as of the time the check is deposited. Such information includes, but is not limited to, the amount of the check, the payee, the drawer's signature, and all other elements of a negotiable instrument under Uniform Commercial Code Article 3 as adopted by Washington State. The MICR line and information identifying the drawer and paying Financial Institution must be legible and unobscured. Depositor's endorsement and any other endorsements or information must also be unobscured. Images must conform to any standards for check image quality adopted by ANSI, the Federal Reserve, and any other standards communicated to Depositor by Credit Union.
5. **Transmission and Receipt of Files.**
  - a. **File Transmission.** Depositor shall transmit files containing check images and employing methods and procedures specified by Credit Union. Credit Union will acknowledge receipt of files by transmitting a message to Depositor in the manner specified in the Documentation. Depositor is responsible for providing Credit Union with a current internet e-mail address and for notifying Credit Union of any changes. Files are not deemed received by Credit Union until Credit Union has transmitted to Depositor a message acknowledging receipt of the file. Acknowledgment of receipt of a file by Credit Union serves only to confirm that the file was received and shall not be construed as confirmation that the file complies with the requirements of this Agreement, or is error-free, or that any particular item was included in the file or has been deposited. Credit Union shall not bear any liability to any party for errors in transmissions, including images dropped, distorted, or otherwise degraded in transmission.
  - b. **Rejection of Files.** Credit Union may in its discretion reject any file transmitted by Depositor or to reject any item within a file and shall have no liability of any nature to Depositor for doing so. Credit Union shall notify Depositor as soon as reasonably possible when it rejects any file or item transmitted by Depositor.
  - c. **Receipt and Crediting of Deposits.** No item is deposited to Depositor's account until Credit Union has received and processed the file containing the item and has credited the item to Depositor's account. Any credit to the account given before Credit Union has received and processed the file is provisional and subject to receipt, processing, and correction or reversal. Depositor shall be responsible for verifying that deposits have been posted to appropriate accounts and shall cooperate in any investigation and resolution of any unsuccessful or lost transmissions with the Credit Union. This may require Depositor to provide Credit Union with original documents as needed to resolve questions, disputes related to unusual transactions, or poor-quality transmissions.
  - d. **Reconciliation.** Credit Union shall notify Depositor of any discrepancy in a file (such as variation in the amount Depositor purports to deposit and the amount as determined by Credit Union) within one business day after a file is processed by Credit Union.
6. **Deposit/File Limitations.** Credit Union may establish limits on the aggregate or individual dollar amount as well as number of checks deposited using Electronic Deposit each day or each month (or such other period as Credit Union establishes). Depositor agrees to abide by such limits and understands that Credit Union may reject deposits exceeding such limits. Credit Union may establish other limits on transactions by notifying Depositor.
7. **Cutoff Times.** Deposits received through Electronic Deposit will be processed and credited to Depositors account immediately, unless the deposit requires administrative approval. Administrative approval may be required to address any issues with item eligibility, image quality, reconciliation, or deposit/file limitations. Deposits requiring administrative approval that are received after 5:30 pm PST may not be processed until the next business day. Deposits received by Credit Union through Electronic Deposit after that time will be processed and credited to Depositor's account as of the next Business day.
8. **Funds Availability.** Credit Union will generally make funds from items deposited through Electronic Deposit available as set forth in Credit Union's funds availability policy. The cutoff time set forth in this Agreement supersedes the cutoff time set forth in the funds availability policy. For purposes of funds availability, the Credit Union's headquarters is considered as the place of deposit.

9. **Clearing and Presentment of Items.** Credit Union may present or send items deposited through Electronic Deposit for presentment by any method and procedures Credit Union in its sole discretion deems appropriate. For example, Credit Union may transmit items as images or as data without images, or Credit Union may use images transmitted by Depositor to create a "substitute check" (also referred to as Image Replacement Document or "IRD"). Credit Union may present or send items for presentment through the Federal Reserve, through local, regional, or national clearinghouses or exchanges, or through any other channel(s) Credit Union deems appropriate.
10. **Returned Deposits.** Depositor acknowledges and agrees that items deposited through Electronic Deposit and dishonored or otherwise returned unpaid will be returned to Depositor in the form of an electronic image, IRD, or paper copy of an IRD. Credit Union shall have no obligation regarding returned deposited items except as provided by applicable law, regulation, Federal Reserve rule or procedure, or clearinghouse rule. If funds from the deposited item were already credited to the account, the funds from any returned item(s) will be deducted from the account regardless of whether there are compensating available funds in the account at that time.
11. **Warranties.** With respect to each item transmitted to Credit Union through the Electronic Deposit service, Depositor warrants as follows:
  - a. The item is of the type that is permitted to be deposited using the Electronic Deposit service as set forth in this agreement.
  - b. Depositor is a person entitled to enforce the item or is authorized to obtain payment on behalf of a person entitled to enforce the item.
  - c. The original item and the electronic image of the item satisfy all standards set forth in this Agreement and in any additional documentation provided by Credit Union.
  - d. The image is not a duplicate of any image or item previously deposited by any method. The image is a true and accurate representation of the front and back of the original check, without any alteration. The drawer of the check has no defense against payment of the check.
  - e. The original item will not be deposited in any account or transferred to any other party by any means, 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 that has already been paid.
  - f. Credit Union will not incur any loss or liability due to Depositor's transmission of an image rather than the original check.
  - g. All information provided by Depositor in connection with the item, including but not limited to the image of the item, is true and correct and accurate to the best of Depositor's knowledge.
  - h. The original item will be destroyed in accordance with the terms of this Agreement.
  - i. Depositor has handled the original item in accordance with all applicable laws, rules, and regulations. Depositor has complied with the terms of this Agreement, and any applicable laws, regulations, and with any additional rules, procedures, or guidelines Credit Union has supplied to Depositor.
  - j. Depositor has not transmitted any virus, worm, or data of any kind that will harm Credit Union's information or communication systems.
12. **Fees.** Depositor shall pay Credit Union the fees associated with use of the Electronic Deposit service as set forth in Credit Union's current fee schedule applicable to Depositor's account.
13. **Compliance with Law.** Depositor agrees to use the Service for lawful purposes, and to comply with all applicable laws, rules, and regulations applicable to the Service and to Depositor.
14. **Indemnification.** Depositor agrees to indemnify, defend, and hold Credit Union harmless from and against any and all claims, damages, liabilities, or losses of any nature incurred by or against Credit Union in connection with or related to Depositor's negligence, intentional misconduct, or breach of this Agreement.

15. **Destruction of Original Items.** The Depositor will destroy all original items deposited through the Electronic Deposit service within sixty (60) days after the date of deposit, unless Credit Union asks Depositor to retain an original of any specific item(s). Depositor will undertake reasonable security measures to ensure that such items are protected from theft, loss, or unauthorized access before they are destroyed.
16. **Data and Systems Security.** Depositor agrees to implement and maintain appropriate security measures to safeguard the security of images and data in Depositor's possession or control from unauthorized access or disclosure. In no event shall Depositor take precautions any less stringent than those employed to protect its own proprietary and confidential information. On request, Depositor shall provide Credit Union with information regarding Depositor's internal controls and security procedures. If Credit Union believes that Depositor's controls, security measures, and procedures are inadequate to safeguard the item images and data maintained by Depositor, Credit Union may require Depositor to establish additional controls, security measures, and procedures. Depositor agrees to indemnify, defend, and hold Credit Union harmless from and against any disclosure of or unauthorized access to any other party's confidential information (such as checking account number and financial institution) maintained by Depositor. Depositor agrees to notify Credit Union of any such disclosure, or of any penetration of Depositor's systems or information security measures by unauthorized parties.
17. **Alternate Deposit Method.** Credit Union makes no warranty or representation as to availability of the Electronic Deposit service. Depositor shall maintain backup procedures and capabilities in order to deposit items by an alternate method if for any reason the Electronic Deposit service is inoperative or unavailable.
18. **Amendment.** The Credit Union may amend the terms of this Agreement and the Service at any time by providing notice to Depositor.
19. **Term and Termination.** This Agreement shall govern all use of the Service by Depositor. Either Credit Union or Depositor may terminate Depositor's use of the Service at any time for any reason. Notwithstanding termination, this Agreement shall govern the parties' rights, liabilities, and duties as to all items deposited using the Electronic Deposit service before or after termination.