

MIT FEDERAL CREDIT UNION

e-Deposit/Remote Deposit Capture Disclosure and Agreement



This Remote Deposit Capture Disclosure and Agreement governs the use of MIT Federal Credit Union's (MITFCU) e-Deposits Service ("e-Deposits" or "the Service").

MITFCU offers e-Deposits in association with deposit account(s) maintained at MITFCU by an MITFCU member. The terms of this agreement supplement all other agreements (now and/or in the future) that govern the use of additional accounts and services maintained by a member at MITFCU (now and/or in the future). Use of e-Deposits is my acknowledgement and acceptance of the terms and conditions in this agreement.

In this agreement, the words "I," "me," "us," and "our" mean the MITFCU member that applied for and/or uses e-Deposits.

Application for use of e-Deposits, notification of my application approval, and the MITFCU Truth in Savings Disclosure are hereby incorporated into and made a part of this agreement. In the event of a discrepancy between this agreement and my Application, MITFCU approval, or the Account Agreement, this Disclosure and Agreement will control.

Use of the Service

After I receive notification from MITFCU approving my use of e-Deposits, I am authorized to remotely deposit paper checks into my MITFCU account by electronically transmitting a digital image of the paper checks to MITFCU. I agree to comply with the hardware and software requirements set forth in Exhibit "A," which is attached and incorporated to this reference.

Upon receipt, MITFCU will review the image for acceptability. I understand and agree that receipt of an image does not occur until after MITFCU notifies me of image receipt, via the Internet Banking Deposit History feature. I understand that notification from MITFCU confirming receipt of an image does not mean that the image contains no errors or that MITFCU is responsible for any information I transmit.

MITFCU is not responsible for any image it does not receive. Following receipt of the image, MITFCU may process the image by preparing a "substitute check" or clearing the item as an image. Notwithstanding anything to the contrary, MITFCU reserves the right, at its sole and absolute discretion, to accept or reject any item for remote deposit into my Account. I understand that any amount credited to my Account for items deposited using e-Deposits is a provisional credit, and I agree to indemnify MITFCU against any loss suffered because of MITFCU's 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. I warrant that I will only transmit acceptable items for deposit and have handled the original items in accordance with applicable laws, rules and regulations. I promise to indemnify and hold MITFCU 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 this Agreement.

Check Requirements

Any image of a check that I transmit to MITFCU 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 scanning the original check, I will endorse the back of the original check.

My endorsement will include my signature and the following information: Account Number, Date, and the words "via e-Deposits." I understand that the scanned image of the check transmitted to you must accurately and legibly provide, among other things, the following information:

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).

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. [Credit Union to include any additional specifications regarding image quality here.]

Rejection of Deposit

MITFCU is not liable for any service or late charges levied against me due to rejection of any item. I am responsible, in all cases, for any loss or overdraft plus any applicable fees due to an item being returned.

Items Returned Unpaid

A written notice will be sent to me of transactions MITFCU is not able to process because of returned items. With respect to any item that I transmit for remote deposit that is credited to my Account, in the event such item is dishonored, I authorize MITFCU to debit the amount of such item from my Account.

E-mail Address

I agree to notify MITFCU immediately if I change my e-mail address, as this is the e-mail address where I am sent notification of receipt of remote deposit items.



Unavailability of Service

I understand and agree that e-Deposits may at times be temporarily unavailable due to Credit Union system maintenance or technical difficulties including, but not limited to, those of the Internet service provider and Internet software.

In the event that e-Deposits is unavailable, I acknowledge that I can deposit an original check at any MITFCU or CU Shared Service Center branch, through any MITFCU ATM, or by mailing the original check to MIT Federal Credit Union.

It is my sole responsibility to verify that items deposited using e-Deposits have been received and accepted for deposit. However, MITFCU will e-mail notification of rejected items by the next business day following rejection.

Business Day and Availability Disclosure

I understand that MITFCU business days are Monday through Friday, excluding holidays, and business hours are 8:30 am to 4:00 pm, Eastern Standard Time, each business day.

Funds Availability

I understand and agree that, for purposes of deposits made using e-Deposits, the place of deposit is Cambridge, Massachusetts and funds will be available as set forth below:

Local Checks/Non-Local Checks

The total amount of Funds deposited from a local check will be available on the second business day after the day of deposit. The remaining funds of a non-local check will be available on the fifth business day after the day of deposit.

Longer Holds

Funds deposited by check may be delayed for a longer period under the following circumstances: (a) MITFCU believes a check I deposit will not be paid; (b) I deposit checks totaling more than \$5,000 in any one day; (c) I redeposit a check that has been returned unpaid; (d) I have overdrawn my account repeatedly in the last six months; (e) there is an emergency, such as a failure of computer or communications equipment; (f) third party checks; or (g) foreign collection items. MITFCU will notify me if my ability to withdraw funds is delayed for any of these reasons, and they will tell me when the funds will be available. Funds will generally be available no later than the eleventh business day after the day of deposit.

Deposit Times

Deposits received before 4:00 pm Eastern Standard Time on a business day will be processed on the same day. Exceptions may apply during holidays and/or special and emergency closings.

Accountholder's Warranties

I make the following warranties and representations with respect to each image of an original check I transmit using e-Deposits:

1. Each image of a check transmitted to MITFCU 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.
2. The amount, the payee, signature(s), and endorsement(s) on the original check are legible, genuine, and accurate.
3. 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.
4. Other than the digital image of an original check that I remotely deposit through e-Deposits, there are no other duplicate images of the original check.
5. 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.
6. 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.
7. The information I provided in my Application remains true and correct and, in the event any such information changes, I will immediately notify MITFCU of the change(s).
8. I have not knowingly failed to communicate any material information to MITFCU.
9. I have possession of each original check deposited using e-Deposits and no party will submit the original check for payment.
10. Files and images transmitted contain no viruses or any other disabling features that may have an adverse impact on MITFCU's network, data, or related systems.

Storage of Original Checks

I must securely store each original check. If I am using e-Deposits to deposit items into an account in the name of a Business to which I am a party, I understand this means the original check(s) must be accessible only [under dual control] by my authorized personnel, that I deposit using the Services for a period of sixty days after transmission to MITFCU. Persons who have access to the stored checks must be fully bondable and have passed a thorough screening. After such period expires, I will destroy the original check. I understand and agree that I am responsible for any loss caused by my failure to secure and/or destroy the original checks.

Accountholder's Indemnification Obligation

I understand and agree that I am required to indemnify and hold MITFCU harmless against any and all claims, actions, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and expenses arising from my use of e-Deposits and/or breach of this Disclosure and Agreement. I understand and agree that this paragraph shall survive the termination of this Agreement.

In Case of Errors

In the event that I believe there has been a breach of this Agreement or an error with respect to any original check or image transmitted to MITFCU, I will immediately contact MIT Federal Credit Union regarding such breach or error as set forth below.

If I do not contact MITFCU immediately, I understand that the statement dispute policy and timeline applies.

Limitation of Liability

I understand and agree that MITFCU is not responsible for any indirect, consequential, punitive, or special damages or damages attributable to my breach of this Disclosure and Agreement.

Charges for Use of the Services

All charges associated with e-Deposits are disclosed in the MIT Federal Credit Union Fee Schedule.

Warranties

I UNDERSTAND THAT MIT FEDERAL CREDIT UNION 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. THE CREDIT UNION IS NOT RESPONSIBLE FOR ANY LOSS, INJURY, OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR THE CREDIT UNION'S 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.

Change in Terms

MITFCU may change the terms and charges for e-Deposits indicated in this Disclosure and Agreement by notifying me of the change in writing and may amend, modify, add to, or delete from this Disclosure and Agreement from time to time. My use of e-Deposits after receipt of notification of any change constitutes my acceptance of the change.

Termination of the Services

I may, by written request, terminate the Services provided for in this Disclosure and Agreement. MITFCU may terminate my use of the Services at any time upon written notice. In the event of termination of the Services, I will remain liable for all transactions performed on my Account.

Relationship to Other Disclosures

The information in these Disclosures applies only to e-Deposits. Provisions in other disclosure documents, as may be revised from time to time, remain effective for all other aspects of my MIT Federal Credit Union Account.

Governing Law

I understand and agree that this Disclosure and Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by and construed in accordance with the internal laws of Massachusetts notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. I also agree to submit to the personal jurisdiction of the courts of Massachusetts.

Periodic Statement

Any remote deposits made through e-Deposits will be reflected on my monthly account statement. I understand and agree that I am required to notify MITFCU of any error relating to images transmitted using e-Deposits no later than 60 days after I receive the monthly periodic statement that includes any transaction I allege is erroneous. I am responsible for any errors that I fail to bring to MITFCU's attention within such time period.

Limitations on Frequency and Dollar Amount

I understand and agree that I cannot exceed the limitations on frequency and dollar amounts of remote deposits MITFCU has set forth.

Unacceptable Deposits

I understand and agree that I am not permitted to deposit the following items using e-Deposits:

1. Any item drawn on my account or my affiliate's account.
2. Any item that is stamped with a "non-negotiable" watermark.
3. Any item that contains evidence of alteration to the information on the check.
4. Any item issued by a financial institution in a foreign country.
5. Any item that is incomplete.
6. Any item that is "stale dated" or "post dated."
7. Any third party check, i.e., any item that is made payable to another party and then endorsed to me by such party.

Changes in Financial Circumstances

I understand and agree that I must inform MITFCU immediately in the event of a material change in my financial circumstances or in any of the information provided in my Application including any supporting financial information.

If I am using e-Deposits to deposit items into an account in the name of a Business to which I am a party, this includes, but is not limited to, notification of the following: (a) changes in transaction volumes at my business; (b) any change in a representation or statement made or furnished by me or on my behalf in my Application; (c) a material change occurs in my ownership or organizational structure (acknowledging that any change in ownership will be deemed material when ownership is closely held); (d) I liquidate or dissolve, or enter into any consolidation merger, partnership, or joint venture; (e) I sell any assets except in the ordinary course of my business as now conducted, or sell, lease, assign or transfer any substantial part of my business or fixed assets or any property or other assets necessary for the continuance of my business as now conducted including, without limitation, the selling of any property or other assets accompanied by the leasing back of the same; (f) I cease doing business, become insolvent, a receiver is appointed for all or any part of my property, I make an assignment for the benefit of creditors, or any proceeding is commenced either by me or against me under any bankruptcy or insolvency laws or any other law or laws relating to debtors; (g) any guaranty of my indebtedness to MITFCU, whether related or unrelated to the Account or the Services, ceases to be in full force and effect or is declared to be null and void; or the validity or enforceability thereof is contested in a judicial proceeding; or any guarantor denies that it has any further liability under such guaranty; or any guarantor defaults in any provision of any guaranty, or any financial information provided by any guarantor is false or misleading); (h) I or any guarantor dies; if I am a sole proprietorship, the owner dies; if I am a partnership, any general or managing partner dies; if I am a corporation, any principal officer or 10.00% or more of the shareholders die; if I am a limited liability company, any managing member dies; if I am any other form of business entity (any person(s) directly or indirectly controlling ten percent (10.00%)



or more of the ownership interests of such entity dies; (i) any creditor tries to take any of my property on or in which MITFCU has a lien or security interest, including a garnishment of any of my MITFCU accounts; (j) a judgment or judgments is entered against me or any guarantor(s) in the aggregate amount of \$250 or more that is not satisfied within thirty (30) days or stayed pending appeal; (k) an involuntary lien or liens is attached to any of my assets or property and not satisfied within thirty (30) days or stayed pending appeal; (l) an adverse change occurs in my financial condition or applicable credit histories; and (m) I am in default under any agreement for borrowed money or any other material contract. I agree to provide MITFCU any financial records reasonably requested to determine my financial status during the term of this Disclosure and Agreement.

Confidentiality

I acknowledge and agree that confidential data relating to your Service, marketing, strategies, business operations and business systems (collectively, "Confidential Information") may come into my possession in connection with this Disclosure and Agreement. I understand and agree that I am prohibited from disclosing and agree to maintain the confidentiality of your Confidential Information.

Waiver

The failure of either party to seek a redress for violation, or to insist upon the strict performance, of any covenant, agreement, provision, or condition hereof shall not constitute the waiver of the terms or of the terms of any other covenant, agreement, provision, or condition, and each party shall have all remedies provided herein with respect to any subsequent act which would have originally constituted the violation hereunder.

Relationship

This Disclosure and Agreement does not create, and shall not be construed to create, any joint venture or partnership between the parties. No officer, employee, agent, servant, or independent contractor of either party shall at any time be deemed to be an employee, servant, agent, or contractor of the other party for any purpose whatsoever.

EXHIBIT "A"

INSTRUCTIONS FOR REMOTE DEPOSIT CAPTURE (e-Deposits) SERVICES

NEW Deposit

Step #1: Endorse Your Checks

Please sign the back of each check and write the following endorsement information under your signature:

For deposit only at MITFCU

Account Number

Via e-Deposits

On mm/dd/yyyy**

***mm/dd/yyyy = today's date

Step #2: Select Your Scanner

Use the Select button to choose the appropriate scanner. If no scanning devices are listed, please ensure that your scanner is turned on, properly connected, and its software properly installed. The software will remember your scanner selection when you deposit checks in the future.

Step #3: Enter the Total Deposit Amount

Enter the total dollar value of your deposit in this field. For multi-check deposits enter the grand total of all checks in your deposit.

Step #4: Scan Your Checks

For flatbed scanners: Place your first check face down on the scanner in the appropriate position. Select the Scan button to scan the front of the check. Follow the device's instructions for completing the scan. Place your first check face up on the scanner. Follow the same process, selecting the Scan Back button to scan the back of your check. Repeat these steps for each check in your deposit.

For duplex scanners: Place your check(s) in the scanner's check/document feeder in the appropriate position. Select the Scan button. Follow the device's instructions for completing the scan.

Step #5: Continue

Once you have scanned all of your checks, click the Continue button to continue to the Deposit Review step.

Deposit Review

Step #1: Review Your Deposit

All deposits must be in balance before they can be released to the credit union for processing. The Deposit Summary provides a recap of your current deposit. Check the Total Items field to ensure that all items in your deposit have been scanned. Check the Unrecognized Amounts and Image Quality Rejects fields to ensure that none of the items in your deposit have been rejected. Check the Total Deposit Amount, Actual Deposit Amount, and Difference fields to ensure that the deposit is in balance.

If there are no items indicated in the Unrecognized Amounts or the Image Quality Rejects fields, and the Total Deposit Amount and Actual Deposit Amount fields are equal, your deposit is in balance and you can proceed to Review Your Checks.

Once you have completed the Review Your Deposit step, use the Submit button to submit your deposit to the credit union for processing. If there are Amount Rejects or Image Quality Rejects proceed to Review Your Checks.

If the deposit is out of balance, make sure that you entered the correct Total Deposit Amount. If the Total Deposit Amount was entered incorrectly, enter the correct Total Deposit Amount and select the Update button.

Step #2: Review Your Checks

In the Deposit Items section you can view each of the checks included in your deposit. View each image to ensure the check is in the proper orientation and has been properly endorsed (See Step 1).

The software has attempted to read the dollar value of each check in your deposit. If it was unable to do so the \$\$\$ symbol will appear in the Errors field and you must enter the value by hand in the Amount field.

The software has also scanned the checks for image usability (IU) and image quality (IQ). If a check fails an image quality test the letters

IQ will appear in the Error field to the left of the check image. Click on or hover over the indicator to view a detailed description of the error.

IQ tests are mandatory and if a particular image fails an IQ test you must delete the Check and try scanning it again in a new deposit to obtain a better quality image. Consider using your scanner's image settings (brightness, contrast, etc.) to adjust the scan quality. Examples of IQ failures include Image Too Dark, Image Too Light, and Excess Spot Noise.

IU tests are non-mandatory and intended to warn you of potentially missing fields on the check. IU tests check for the presence or absence of the following fields; signature, date, courtesy amount, and payee. View the check image carefully to determine whether the item should be submitted for deposit.

Step #3: Submit Your Deposit

Submit Deposit sends your deposit to the Credit Union for review and processing. Until the Credit Union has acted on your deposit, it can be found on the Deposit History page in the Submitted Deposits table. Once the Credit Union has acted on your deposit, it is found in either the Submitted Deposits table or in the Deposit History table depending on the action taken by the Credit Union.

Submitted Deposits

Submitted Deposits are deposits that you have submitted but are still awaiting review and acceptance by the credit union. Each deposit that you submit is reviewed by the credit union for accuracy.

Until your deposit has been reviewed it will remain in a submitted state. Once a deposit has been accepted, details can be viewed on the Deposit History page and the deposit will be posted to your account. If we make an adjustment to your deposit, a summary of those adjustments will appear in the Notes column of the Submitted Deposits or Deposit History table, and we will send you an e-mail notifying you of the change. See below for a detailed description of the information that can be found in the Submitted Deposits table:

Ref # -your unique deposit reference number

Account/Created/Submitted

Account - the Account Type and Number that your deposit was directed to

Created - the date and time that you scanned your deposit Submitted - the date and time that you submitted your deposit

Items - the number of checks contained in your deposit

Amount -the total value of your deposit

Credit Union Notes -this column contains a summary of the actions taken by the Credit Union on your deposit. Credit Union Notes may contain the following:

Item Amount Adjustment - the Credit Union has adjusted the value of an item within your deposit. Notes will include the item reference number and the value of the item before and after the adjustment.

Deposit Total Adjustment - the Credit Union has adjusted the total value of your deposit. Notes will contain the deposit value before and after the adjustment.

Item Deleted - the Credit Union has removed an item from your deposit. Notes will include the item number and the reason it was removed from your deposit.

Actions

X - Delete Deposit. Until the Credit Union accepts your deposit you may delete it by clicking the Delete button.

Deposit History

Deposit History contains deposits that have been accepted for processing by the credit union. Once a deposit has been accepted it will be posted to your account according to the terms outlined in the End User License Agreement.

If we make an adjustment to your deposit, a summary of those adjustments will appear in the Notes column of the Deposit History table. See below for a detailed description of the information that can be found in the Deposit History Table:

Ref # -your unique deposit reference number

Account/Created/Submitted

Account - the Account Type and Number that your deposit was directed to

Created - the date and time that you scanned your deposit

Submitted - the date and time that you submitted your deposit

Items - the number of checks contained in your deposit

Amount -the total value of your deposit

Credit Union Notes -this column contains a summary of the actions taken by the Credit Union on your deposit. Credit Union Notes may contain the following:

Item Amount Adjustment - the Credit Union has adjusted the value of an item within your deposit. Notes will include the item reference number and the value of the item before and after the adjustment.

Deposit Total Adjustment - the Credit Union has adjusted the total value of your deposit. Notes will contain the deposit value before and after the adjustment.

Item Deleted - the Credit Union has removed an item from your deposit. Notes will include the item number and the reason it was removed from your deposit.

Actions

X - Review Deposit. View the details and check images for this deposit by clicking the Review button.

x - Build PDF Report. Generate a report for this deposit in the Adobe Acrobat Portable Document Format (PDF) by clicking the Review button.

Pending Deposits are awaiting your review and release or delete. Pending Deposits have not yet been submitted to the Credit Union for processing. Click the Review button to review, balance, and release the deposit. Click the Delete button to delete the deposit.