



Healthcare Financial Credit Union (HCFCU) Mobile Check Deposit Agreement and Disclosure

Effective: April 18, 2025

This Agreement and Disclosure (“Disclosure”) as amended from time to time sets forth the terms and conditions for Healthcare Financial Credit Union Mobile Check Deposit Service which is or may be made available by Healthcare Financial Credit Union® (“Credit Union”).

It defines your rights and responsibilities and those of the Credit Union with respect to HCFCU Mobile Check Deposit Service (the “Service”). Please read it carefully before using the Service.

In this Disclosure the words “you,” “your” and “yours” refer to the Member or anyone who applies for or uses Healthcare Financial Credit Union Mobile Deposit Service. The words “we,” “us,” “our,” “HCFCU” and “Credit Union” refer to HEALTHCARE FINANCIAL CREDIT UNION.

INCORPORATION OF AGREEMENT AND DISCLOSURES

Your application (request) for use of the Service, your notification of approval of your application, and HCFCU’s Truth-in-Savings Agreement and Disclosure, the Electronic Funds Transfer Agreement and Disclosure, Funds Availability Policy, and the Schedule of Fees, which by this reference are incorporated into the account disclosure in its entirety.

Both you and the Credit Union will be bound by this Disclosure. If there is a conflict between this Disclosure and something said by one of our employees, you agree that this Disclosure controls. If any part of this Disclosure should be held to be unenforceable, the remaining provisions of this Disclosure and Agreement shall remain in full force and affect.

You understand that the agreements, rules, and regulations applicable to your Share/Savings Account, Checking Account, and any other account you have with the Credit Union remain in effect and continue to be applicable except as specifically modified by this Disclosure.

Requesting, retaining, using or permitting another person to use the Service constitutes an acceptance by you of all the terms and conditions set forth in this Disclosure and Agreement and binds you to all the rules and regulations governing the use of the Service.



Definitions

Capitalized terms defined in this Agreement shall have the meanings indicated in this Agreement.

HCFCU Mobile Check Deposit (the “Service”)

A service provided to members that uses a mobile device to electronically transmit a digital image of a paper check for deposit.

Application

A delivery channel for various services, information, and other functions that can be added to an electronic device (a telephone, iPad, or Smartphone with camera).

Member

An individual signer on a HCFCU membership account.

Mobile Device

An electronic device that includes a cell phone, iPad, or Smartphone with camera that allows an Application to be added.

Verified Item

Any check that passes the verification process that includes but is not limited to verifying a date, payee, signature, payor name and address, payee endorsement, the MICR line, and other factors.

Non-Verified Item

An item that is rejected because it has not passed the validation process or does not meet the quality image described in the Agreement.

Substitute Check (a digital image)

A paper check (Check) converted to a digital image that states it is a legal copy of your check and it can be used in the same way as an original check. A substitute check may be used as proof of payment just like the original check.

The Service

The Credit Union will provide to you an application to apply to use HCFCU Mobile Check Deposit Service. Following your receipt from the Credit Union of notification approving your use of the Service, you are authorized to remotely deposit paper checks you receive to your account with the Credit Union by electronically transmitting a digital image of the front and back of the paper check to HCFCU. Both the Credit Union and Member will comply with the terms and



provisions of this Agreement with respect to the use of the HCFCU Mobile Check Deposit and the performance of the Service.

Implementation

The Member captures digital images of Checks using the Application and a Mobile Device that meets the technical specifications acceptable to the Credit Union.

General Responsibilities

1. You shall maintain one or more Accounts at HCFCU for the receipt of deposits of digital images.
2. You will only submit digital images of Checks that meet the standards for image quality required by Regulation CC, or other standards established by law and HCFCU in the Truth-in-Savings Agreement and Disclosure incorporated into this agreement.
3. The Credit Union's processing of any Imaged Items that does not meet the check validation process shall not constitute a waiver by HCFCU or obligate it to process any such Non-Verified Item.
4. The Credit Union may discontinue processing of Non-Verified Items at any time, without cause or prior notice.
5. You will not attempt to scan and transmit to us any previously truncated and reconverted Substitute Check. Any previously truncated and reconverted Substituted Check must be physically deposited with HCFCU.
6. Notwithstanding the foregoing, we may redeposit any returned Substitute Check consistent with the terms of the Truth-in-Savings Agreement and Disclosure.
7. You will ensure that checks are restrictively endorsed or otherwise processed to permit only financial institutions to acquire rights of a holder in due course in the collection process of Items.
8. You will handle, process, maintain and destroy original checks as set forth in bullet point 15 below.
9. Ensure that no financial institution (depository, collecting or payor), drawee, drawer or endorser receives presentment or return of, or otherwise is charged for an Item more than once in any form.
10. You will use the Service, including the entering, processing, and transmittal of digital image, in accordance with this Agreement. In addition, you will provide, at your own expense, a Mobile Device required to use the Service.
11. You will provide or obtain from another party selected by you at your expense, support and maintenance of such Mobile Device required to use the Service.



12. You shall be responsible for verifying the Credit Union's receipt of the Credit Union'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.
13. You will ensure that the Mobile Device is operating properly and inspect and verify the quality of images and ensure that the digital images of paper checks are legible for all posting and clearing purposes.
14. You shall exercise due care in preserving the confidentiality of any user identification, password, test key, or other code or authentication method provided by HCFCU or otherwise required for use of the Service and shall further prevent the use of the Service by unauthorized persons. You assume 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 you.
15. You will retain each original check and keep them in a safe and secure environment for such time is deemed necessary and advisable: a minimum period forty-five (45) days after such Item has been converted to a digital image and processed.
16. You shall take appropriate security measures to store original checks, and the information contained on such original checks.
17. Upon a request from the Credit Union, you will promptly (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 us to aid in the clearing and collection process to resolve claims by third parties with respect to any digital image or as the Credit Union otherwise deems necessary.
18. You will use a reasonable method which is consistent with any requirements of Regulation CC to destroy original checks after the retention period has expired (see bullet point 15).
19. You understand and agree that a digital image that is not paid by a Payor Financial Institution, or is otherwise returned for any reason, will be returned to you and your Account will be charged for the amount of the Substitute Check plus any associated fee as disclosed in the Credit Union's Schedule of Fees
20. The Credit Union's right to charge your Account will apply without regard to whether the Substitute Check is timely returned to HCFCU or whether there is any other claim or defense that the Item has been improperly returned to the Credit Union.
21. You represent, agree, and warrant to HCFCU that (except as otherwise specifically disclosed in writing to the Credit Union) you are not now engaged, and will not during the term of this Agreement engage, in any business that would result in your being or becoming a "money service



business” as defined in the Federal Bank Secrecy Act and its implementing regulations.

22. You will not engage in any activity directly or indirectly related to the use of the Service that is illegal or fraudulent.

HCFCU Mobile Check Deposit Service

1. Your Account will be provisionally credited upon the Credit Union's acceptance of the digital image for deposit which is received by HCFCU from you through the Service.
2. You will create images of the front and back of Checks at your location by use an Application and Mobile Device with a camera.
3. You will enter all amounts and any other required information correctly.
4. Upon receipt of the digital image, we will review the image for acceptability.
5. You understand that in the event you receive notification from us confirming receipt of an image, such notification does not mean that the image contains no errors.
6. The Credit Union will maintain the appropriate Member Account to receive deposits and provide other specific information required by the Credit Union related to the Service.
7. As set forth in this agreement, all deposits received by us are accepted subject to the Credit Union's verification and final inspection and may be rejected by us at our sole discretion.
8. All deposits are subject to the terms of the Credit Union's Funds Availability Policy.

Business Day and Availability Disclosure

Our business days are Monday through Friday, except holidays. Any deposits received after 2:00 PM. Eastern Standard Time on Monday through Friday will be processed the next business day. Digital images received after 2:00 PM. Eastern Standard Time on Friday, all day Saturday and Sunday are processed on Monday.

Transactions Limitations of the Service

1. One check may be deposited at a time using the Service.
2. A maximum of \$5,000 per check applies to the Service.
3. The total check amount per day is \$5,000.

Unacceptable Checks for Deposit Using the Service

1. Third-party checks.
2. Checks written for over \$5,000.
3. Checks with qualified or conditional endorsements (for example: “Payable to Healthcare Financial Credit Union without recourse”).



4. Checks payable to more than one individual where all parties are not signers on the account may not be deposited using the service (this includes government checks).
5. Any item stamped “non-negotiable.”
6. Bonds.
7. Any item issued by a financial institution in a foreign country or in foreign currency.
8. Any item that is “stale dated” or “post dated”
9. Any item that is incomplete.
10. Any item that contains evidence of alternation to the information on the check.
11. Any previously truncated and reconverted Substitute Check.

Compliance with Law

The Member shall comply with all laws, rules, and regulations applicable to the Member, to the business and operation of the Credit Union, and to the HCFCU Mobile Deposit Service, including, without limitation, Regulation CC, the Uniform Commercial Code, and any rules established applicable to digital images. You shall have the responsibility to fulfill any compliance requirement or obligation that the Credit Union and/or you 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.

The Credit Union’s Rights and Responsibilities

1. For all digital images processed by you pursuant to this Agreement, the digital images will be converted to Substitute Checks and presented for payment.
2. The 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 this Agreement and as otherwise established by the Credit Union from time to time.
3. Unless otherwise agreed by you and us, the Credit Union will process any returned items in accordance with applicable law and the Credit Union’s Agreements and Disclosures.
4. Subject to bullet point 6 below, availability of credit from Items processed under this Agreement will be subject to the Credit Union’s Funds Availability Policy, which may be amended without notice.
5. The Credit Union may at its sole option, with or without cause, at any time and from time to time, refuse to process any digital image. The Credit



Union may from time to time establish exposure limitations and assign them to you.

6. In addition to any other rights the Credit Union may have as regards your Accounts, we may hold and use funds in any deposit Account following termination of this Agreement for such time as the Credit Union reasonably determines that any Item processed by HCFCU prior to termination may be returned, charged back or otherwise a cause for any loss, liability, cost, exposure or other action for which the Credit Union may be responsible.
7. Without limitation, you recognize that under the Rules, the UCC, Regulation CC and the rules of any digital image the Credit Union's representations and warranties as regards Substitute Checks may expose HCFCU to claims for several years following processing of the Substitute Check.
8. The 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 the Credit Union's control.
9. In the event of any of the foregoing failure or delays, you acknowledge that it may instead deposit directly with the Credit Union any original items for processing and presentment provided such original items have not been previously imaged and processed in connection with HCFCU Mobile Check Deposit Service.
10. HCFCU may add, delete, or change the features or functions of the Service, at any time in the Credit Union's sole discretion.
11. If HCFCU deems it reasonably practicable to do so and if the change adversely affects the Member's usage of the Service, the Credit Union will notify the Member of the change in advance. Otherwise, the Credit Union will notify the Member of the change as soon as reasonably practicable after it is implemented, which notice may be given electronically.

Unavailability of Service

The Credit Union may cause the Service to be temporarily unavailable to you, either with or without prior notice, for site maintenance, security or other reasons, and you acknowledge that factors beyond the Credit Union's reasonable control, such as telecommunications failure or equipment failure, may also cause the Service to be unavailable to you. You may deposit original checks and other items to any deposit account at the Credit Union in person or in any other manner permitted by agreement between you and us, and we will be responsible for maintaining procedures and facilities to enable you to do so if the Service is unavailable to you.



Processing Times

1. The business days are Monday through Friday (see **Business Days**).
2. Transmissions processed after 2:00 PM. Eastern Standard time on a business day, or on any day that is not a business day, are treated as occurring on the next business day.
3. Digital images processed for deposit through the Service will be deemed to have been received by the Credit Union for deposit at the time the imaged items are actually received and accepted at the location where HCFCU posts the credit to the Account.
4. A deposit of a digital image will be deemed to have been received and accepted by HCFCU for deposit when all of the following have occurred:
 - a. the Credit Union has preliminarily verified that the image quality of the Imaged Items is acceptable to the Credit Union in its discretion,
 - b. all digital image information is complete,
 - c. and the deposit totals are balanced to the Item information provided for the deposit; and
 - d. the Credit Union has successfully performed the verification process with respect to the deposit.
5. Notwithstanding the foregoing, digital image received by HCFCU for deposit may be rejected by the Credit Union in the Credit Union's sole discretion.
6. Digital images will be processed and ready for presentment by the Credit Union after the Credit Union receives all good digital images and associated data for any given transmission from you.
7. If under bullet point 4 above a digital image is not accepted for deposit, the Member may then submit the original check to the Credit Union for processing or contact the maker to reissue the check.
8. If you submit the original check for processing, the Credit Union reserves the right to refuse to process the check for deposit and presentment to the Payor Financial Institution and may instead require you to have the maker reissue the check.

Security Procedures

1. The Member will be solely responsible for establishing, maintaining, and following such security protocols as deemed necessary to ensure that digital images transmitted directly to the Credit Union are intact, secure, and confidential until received by the Credit Union.
2. You shall comply with online instructions for using the Service by taking reasonable steps to safeguard the confidentiality and security of any passwords, Mobile Devices, and information provided in connection with the Service.



3. You shall limit access to any passwords and Mobile Devices to persons who have a need for such access, closely and regularly monitor the activities of those who access the Service; notify the Credit Union immediately if you have any reason to believe the security of confidentiality required by this provision has been or may be breached; and immediately change the password if the Member knows or suspects the confidentiality of the Password has been compromised in any way.
4. Security procedures are not designed for the detection of errors, e.g., duplicate transmissions of digital images or errors in information provided to the Credit Union. The Credit Union is not obligated to detect errors by you.
5. The Credit Union may deny access to the Service without prior notice if unable to confirm any person's authority to the access the Service or if the Credit Union believes such action is necessary for security reasons.
6. The Member warrants each time digital images are transmitted using the Service that the Credit Union's security procedures are reasonable (based on the normal size, type, and frequency of transmissions).
7. The Member agrees to be responsible for any transmission the Credit Union receives through this Service, even if it is not authorized by the Member, provided it includes a password or is otherwise processed by the Credit Union in accordance with this security procedure.

The Member Representations and Warranties

The Member makes the following representations and warranties with respect to each digital image processed by you pursuant to this Agreement:

1. The Item is a digital image of the front and back of the Check and accurately represents all of the information on the front and back of the Check as of the time you converted the Check to digital image.
2. The Imaged Item contains all endorsements applied by parties that previously handled the Check in any form for forward collection or return; and
3. All encoding, transfer, presentment, and other warranties made under applicable law as the Credit Union is deemed to make under applicable law, including without limitation those under the UCC, Regulation CC and the rules of any Substitute Check.
4. 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 you assume responsibility for any such duplicate presentment of any Check.

Fees

You will pay to the Credit Union any applicable fees listed on the Schedule of Fees incorporated into this Agreement and available to you by request or on our



website, www.hcffcu.org. The Credit Union may increase, alter, add, or otherwise change fees and other amounts payable under this Agreement by the Member upon 30 days' notice. Fees may be automatically debited from your Account.

Period Statement

Any remote deposits made through the Service will be reflected on your monthly statement. You are responsible for any errors that you fail to bring to our attention with the stated time periods found in the disclosures.

Refer to the terms and conditions applicable in the Membership and Account Agreement, Electronic Fund Transfer Agreement and Disclosure and the Check 21/Substitute Check Disclosure for resolution of deposit and Substitute Check errors found on your periodic statement. Refer to the disclosures provided at account opening or request a copy by email info@hcffcu.org or by calling Member Services at 203-680-8638.