

## Remote Deposit Service Agreement

This Agreement (Agreement) governs the use of the MSGCU Remote Deposit Service (Service), provided by Michigan Schools & Government Credit Union ("MSGCU," "we," "us"). By using the Service to make deposits from your home or some other remote location, you agree to the terms of this Agreement. The Service is only available to members in good standing.

As used in this Agreement, "account" and "accounts" mean the primary share account, checking accounts, and money market accounts tied to your member identification number. "Account(s)" shall not refer to an Individual Retirement Account or any other account receiving favorable tax treatment under state or federal law.

- I. Description of Service.** The Service is the service designed to allow you to make deposits to your MSGCU share savings, share draft (checking), and money market accounts by scanning checks and delivering images and associated deposit information (the "Deposit") to MSGCU or its designated processor over the internet.
- II. Account Agreements Incorporated into this Agreement.** The terms and conditions in this Agreement do not replace, but are in addition to, any account agreements you have with MSGCU, including your Membership and Account Agreement, Account Card, Truth in Savings Disclosure, MSGCU's Fee Schedule or any accompanying schedules, MSGCU's Electronic Funds Transfer Agreement, Funds Availability Disclosure, any overdraft protection agreement (together the "Account Agreement"), and any change of terms notices.
- III. Required Equipment.** In order to use the Service, you will Internet access and an appropriately enabled mobile device, and must be registered for MSGCU's Online Banking.

You understand you must, and hereby agree to, at your sole cost and expense, use hardware and software that meets all technical requirements for the proper delivery of the Service and that fulfills your obligation to obtain, and maintain, secure access to the Internet. You understand and agree you may also incur, and shall pay, any and all expenses related to the use of Service, including, but not limited to, telephone service or Internet service charges. You are solely responsible for the payment of any and all costs and expenses associated with meeting and maintaining all technical requirements and additional items necessary for the proper use of the Service. You understand and agree that you are solely responsible for the operation, maintenance and updating of all equipment, software and services used in connection with the Service and the cost thereof, and you hereby agree that you will perform, or cause to be performed, all vendor recommended maintenance, repairs, upgrades and replacements, and such performance shall be rendered by properly trained personnel. MSGCU is not responsible for, and you hereby release MSGCU from any and all claims or damages resulting from, or related to, any virus or related problems that may be associated with using electronic mail or the Internet. MSGCU is not responsible for, and you hereby release MSGCU from any and all claims or damages resulting from, or related to, defects in or malfunctions of your hardware or software, or failures of or interruptions in any electrical, telephone or Internet services. MSGCU hereby advises you, and you hereby agree, to scan your hardware and software on a regular basis using a reliable virus detection product in order to detect and remove computer viruses.

In connection with its use of the Service, you shall only use the hardware described as follows (the "Hardware List") or such other hardware as is approved in advance by MSGCU and shall only use such software as is approved in advance by MSGCU:

1. An Apple device running compatible software
2. An Android device running compatible device

- IV. Service Limitations.** MSGCU reserves the right to change, suspend, or discontinue the Service, or your use of the Service. MSGCU also reserves the right to deny access to an account or to deny transactions under certain circumstances. We may do so immediately and at any time without prior notice to you. We also reserve the right to change this Agreement at any time. However, if we make a material change in this Agreement or the Service, we will notify you. Your continued use of the Service constitutes your agreement to the new terms. MSGCU also reserves the right to impose limits on the number of deposits or on the dollar amount of deposits you may make using the Service.
- V. Items Eligible for Deposit; Prohibited Checks.** You agree to scan and deposit only "check(s)" as that term is defined in Subpart D of Federal Reserve Board Regulation CC, and to the extent applicable, Subpart A ("Reg CC"). You also



agree that the image of the check that is transmitted to MSGCU shall be deemed an "item" within the meaning of Article 4 of the Uniform Commercial Code as enacted by the State of Michigan.

- VI.** You agree that you will not use the Service to deposit any check(s) or other item(s) that:
1. are payable to any person or entity other than you, (except for government checks payable to you and your spouse/domestic partner where you have provided the dual-endorsement required) or that include a third-party endorsement;
  2. are dated more than 6 months prior to the date of deposit;
  3. contain obvious alterations on the front of the check or item, or which you know or suspect, or should know or suspect, is fraudulent or otherwise not authorized by the owner of the account on which the check is drawn, including checks received via Internet solicitations;
  4. were previously converted to a substitute check, as defined in Reg CC;
  5. are drawn on financial institutions that are located outside of the United States or that are not payable in US dollars;
  6. are a Remotely Created Check, as that term is defined in Reg CC;
  7. or are not acceptable to MSGCU for remote deposit, including Savings Bonds or mutilated checks;
  8. are from a foreign lottery, whether you entered the foreign lottery or not;
  9. or are from a "work from home" or similar program that you find or finds you on the internet such as Craig's List, etc.;
  10. are prohibited by our then-current procedures pertaining to Service, or are otherwise not acceptable under the terms of your MSGCU account, or are in violation of any law, rule or regulation. Current Membership and Account Agreement may be found online <http://www.msgcu.org/disclosures-fees>

Checks described above are each a "Prohibited Check" and, collectively, "Prohibited Checks". If you deposit a Prohibited Check, you agree to indemnify and reimburse MSGCU for, and hold MSGCU harmless from and against, any and all losses, costs and expenses (including reasonable attorney's fees) MSGCU may incur associated with any warranty, indemnity or other claim related thereto. Furthermore, if, after first having obtained MSGCU's written consent to do so, you provide MSGCU with an electronic representation of a substitute check for deposit into an Account instead of an original Check, you agree to indemnify and reimburse MSGCU for, and hold MSGCU harmless from and against, any and all losses, costs and expenses (including reasonable attorney's fees)MSGCU incurs because any such substitute check resulting from such electronic representation does not meet applicable substitute check standards and/or causes duplicate payments.

- VII. Deposit/Image Quality.** Each File transmitted by you to MSGCU shall contain Images of the front and the back of the Checks scanned and remotely deposited by you. Each Image of each Check shall be of such quality that the following information can clearly be read and understood by sight review of such Image:
1. the amount of the Check;
  2. the payee of the Check;
  3. the payee endorsement
  4. the signature of the drawer of the Check;
  5. the date of the Check;
  6. the Check number;
  7. the information identifying the drawer and the paying financial institution that is preprinted on the Check, including the MICR line; and
  8. all 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.

Each Image shall also meet all standards for image quality established by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve or any other regulatory agency, clearing house or association. You shall also capture and transmit to MSGCU the full-field MICR encoding on each Check. In accordance with the Procedures, You shall ensure that the following information is captured from the MICR line of each Check:

1. the American Bankers Association routing transit number ("RTN");
2. the number of the account on which the Check is drawn;
3. when encoded, the amount of the Check; and
4. when encoded, the serial number and the process control field of the Check.



- VIII. Endorsements and other Procedures.** You agree to restrictively endorse each item (place the words "for MSGCU mobile deposit only" above your signature) transmitted through the Service and to follow such other procedures as we may establish from time to time and disclose to you, including without limitation security procedures.
- IX. Security.** You agree to keep confidential and secure any security procedures that we establish, including your Service password, and to notify us immediately if you have reason to believe that confidentiality or security pertaining to the Service or any check transmitted through the Service has been or may be breached.
- X. Your Treatment of Items after our Receipt.** You shall mark the original Check "VOID" after MSGCU notifies you that the File corresponding to the Check has been accepted. You shall securely store all original Checks for a period of one hundred eighty (180) days after you have received notice from MSGCU that the File containing the images of such Checks has been accepted (such period the "Retention Period"). During the Retention Period, you shall take appropriate security measures to ensure that and agree that:
1. only owners of your account shall have access to original Checks;
  2. the information contained on such Checks shall not be disclosed;
  3. such Checks will not be duplicated or scanned more than one time; and
  4. such Checks will not be deposited or negotiated in any form.

You shall permanently and completely destroy original Checks upon the expiration of the Retention Period applicable to such Checks. If MSGCU specifies the method or methods to be used to destroy the original Checks, you shall use such methods to destroy original Checks after expiration of the Retention Period or deliver the Checks to MSGCU for destruction. You hereby indemnify MSGCU for, and hold MSGCU 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 you. You will promptly (but in all events within 5 business days) provide any retained Check (or, if the Check is no longer in existence, a sufficient copy of the front and back of the Check) to MSGCU as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any Check. To fulfill your obligations under this Agreement, you shall retain an Image of all Checks deposited for four years after the date the File related to the Check is accepted by MSGCU.

You understand that images stored on mobile devices may be stored only until the associated deposit has been successfully transmitted and you have transferred the information to your computer. In the event you are unable to promptly complete a deposit using a mobile device, you agree to ensure that the mobile device remains securely in our possession until the deposit has been completed or to delete the associated images from the device.

- XI. MSGCU's Receipt of Items.** You agree that you shall be solely liable for, and MSGCU shall not have any liability whatsoever to you for, any File or the Images or other information contained therein that are not received by MSGCU or for any File or the Images or other information contained therein that are intercepted or altered by an unauthorized third party. You agree that MSGCU has no obligation to accept a File and, therefore, may reject any File or the Images or other information contained therein submitted by you. MSGCU has no obligation to notify you of the rejection of a File or the Images or other information contained therein; to confirm the status of a File you may contact MSGCU at any time MSGCU is open for business. MSGCU shall have no liability to you for the rejection of a File or the Images or other information contained therein or for the failure to notify you of such rejection. Upon receipt of a File submitted by you, MSGCU may examine such File and the Images and other information contained therein to ensure that you has complied with this Agreement and followed the Procedures. If MSGCU determines that you have not complied with this Agreement or followed the Procedures or if errors exist in the Images or other information contained in the File, MSGCU, in its sole discretion, may either reject the File or elect to correct the error and accept and process the corrected File (a "Corrected File"). As a form of correction, MSGCU may credit your Account for the full amount of the deposit and make any necessary adjustments to the Account to correct the error. MSGCU may, at its option, also perform a risk management analysis of one or more Files submitted by you to detect potentially fraudulent Checks, and, in its sole discretion, MSGCU may reject any such File or the Images or other information contained therein. If after examination of a File and the Images and other information contained therein, MSGCU determines that you has complied with this Agreement and processed and transmitted the File in accordance herewith and with the Procedures, the File is balanced and the Images meet the requirements of Section 6 of this Agreement, then MSGCU shall accept the File (an "Accepted File") for deposit to your Account. Upon acceptance of the File, MSGCU shall electronically notify you of receipt and acceptance of the Accepted File for deposit. To make this notification, MSGCU shall use the most recent email address



provided by you to MSGCU; you must notify MSGCU immediately of any change in your email address. Information and data reported hereunder:

1. may be received prior to final posting and confirmation and is subject to correction; and
2. is for informational purposes only and may not be relied upon.

You agree that MSGCU shall have no liability for the content of payment-related information. Notwithstanding the fact that MSGCU has accepted a File for deposit, any credit made to your Account shall be provisional pending final collection from the drawee financial institution, and you shall remain liable to MSGCU for any errors, inaccuracies, breach of warranties and any other loss sustained by, or claim made against, MSGCU.

You agrees that, in the event you are not able to capture, balance, process, produce or transmit a File to MSGCU, or otherwise comply with the terms hereof or of the Procedures, for any reason, including, but not limited to, communications, equipment or software outages, interruptions or failures, you will transport the originals of all Checks to an office of MSGCU and deposit the original Checks with MSGCU. You shall continue to make deposits only in this manner until such time that the outage, interruption or failure is identified and resolved. The deposit of original Checks at an office of MSGCU shall be governed by the terms and conditions of the Account Agreement but not by the terms of this Agreement. For purposes of this Service, only branches owned and operated by the MSGCU shall constitute a valid branch office, and Shared Branching locations are explicitly excluded. You agree that MSGCU may, at its option, decline to accept the deposit of an item through the Service and require you to present the original item for deposit and processing.

**XII. Provisional Credit and Availability of Funds; Presentment.** Upon acceptance of the File, MSGCU shall grant your Account Provisional Credit (as herein defined) for up to the total amount of the Corrected File or the Accepted File, as applicable. As used herein, "Provisional Credit" means that the credit is made to your Account subject to final payment of the Checks and subject to the terms of the Account Agreement.

**XIII. Returned Checks.** If Images of Checks deposited by you are dishonored or otherwise returned unpaid by the drawee financial institution, or are returned by a clearing agent for any reason, including, but not limited, to issues relating to the quality of the Image, You understand and agree that, since you either maintain the original Check or have destroyed the original Check in accordance with this Agreement, the original Check will not be returned by MSGCU, and MSGCU may charge back an Image of the Check to your Account. You understand and agree that the Image may be in the form of an electronic or paper reproduction of the original Check or a substitute check. Unless otherwise instructed by MSGCU, you agree not to deposit the original Check if an Image or other debit as previously described is charged back to you. MSGCU will assist you in representing such a returned item through the banking system. You retain the right to pursue collection remedies other than through the check collection system and may use the original Check or a substitute check for the purpose of bringing legal action. You may also return the original Check to the drawer upon the Drawer honoring the item, such as through a direct cash payment to you.

**XIV. Deposit Limits, Business Days, and Cut Off Time.** MSGCU will assign a daily limit for the total you may deposit per business day through Service. We reserve the right to modify such limits from time to time.

Our business days are Monday through Friday, excluding federal holidays, and on a few days we may close early. As of the date of this agreement, our daily cutoff time is generally 4:00 p.m. Eastern Time as observed in Detroit, Michigan but on a few days it may be earlier. Subject to applicable law, this is subject to change in MSGCU's sole discretion.

For specific current information on deposit limits, business days, and cut off times, please call the credit union or go to our website at [www.msgcu.org](http://www.msgcu.org).

**XV. Errors.** MSGCU has no obligation to detect errors by you or others, even if we take certain actions from time to time to do so. To ensure accuracy, you agree to accurately enter the dollar amount of each Deposit according to the legal amount rather than the courtesy amount if they differ. The legal amount is the written amount and the courtesy amount is the digital amount on a check.

You also agree to notify us of any suspected errors in the Deposit(s) promptly and in no event later than sixty (60) days after the periodic account statement for that account is sent. Unless you notify us within 60 days, such statement regarding deposits made through Service will be deemed correct, and you are prohibited from bringing a claim against us for an alleged error. To notify us of any errors, please contact us at (586) 263-8800 or toll-free at (866) 674-2848.



**XVI. User Warranties and Indemnity.** You warrant to MSGCU that:

1. You will only transmit eligible checks;
2. The original item was a paper check that you scanned;
3. Each image of a check transmitted to us is a true and accurate rendition of the front and back of the original check, without any alteration
4. The drawer of the check has no defense against payment of the check;
5. You are authorized to endorse each item transmitted or are authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item;
6. Images will meet image quality standards;
7. You will not transmit duplicate items;
8. You will not deposit or re-present the original item or 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 the person has already paid;
9. All information you provide to MSGCU is accurate and true;
10. You will comply with this Agreement and all applicable laws and rules;
11. You will use the Service and any related products for lawful purposes only and in compliance with all applicable laws and regulations
12. You will only transmit acceptable items for deposit and that you will have handled the original items in accordance with applicable laws and regulations, and

You agree to indemnify and hold harmless MSGCU from any loss, cost and expenses (including attorney's fees) for breach of this warranty clause or of this Agreement.

**XVII. Ownership and License; Termination of Rights.** You agree that you have no ownership interest in the Service and that your use of the Service is subject to your compliance with this Agreement. Any breach of this Agreement immediately terminates your rights to use Service. Without limiting the foregoing, you may not use Service in any way or for any purpose that is contrary to MSGCU's business interests or harmful to MSGCU. In addition you agree that you will not (i) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or decompile the technology or any other feature of the Service, (ii) copy or reproduce all or any part of the technology or the Service; or (iii) interfere, or attempt to interfere, with the technology or the Service.

**XVIII. Exclusion of Warranties and Limitation of Liability.** Your use of the Service is at your own risk. The Service and related documentation is provided "as is." We disclaim all warranties of any kind, express or implied, including without limitation warranties of merchantability or fitness for a particular purpose and non-infringement. We make no warranty that the Service (a) will be uninterrupted, timely, secure or error-free; (b) that the results from the Service will be accurate or reliable; and (c) that any errors will be corrected. You agree that we will not be liable for any direct, indirect, consequential, special, or exemplary damages, including without limitation damages for loss of profits, use, data, goodwill or other losses resulting from use or inability to use the Service or the termination of the Service, regardless of the form of action or claim, even if MSGCU has been informed of the possibility thereof.

**XIX. Meeting Your Obligations.** If your use of the Service results in your becoming indebted to MSGCU, you agree to pay what you owe us upon our demand. If you do not do so, you agree to pay reasonable collection costs we incur before taking legal action against you. If we take legal action to collect what you owe, you agree to pay our reasonable attorney's fees and court costs in addition to any other remedy the court finds proper. We have the right of offset (as explained in the Membership Account Agreement) against any account in which you or a joint owner may have an ownership right, to remedy any loss or account deficiency as a result of you using Service.

**XX. Assignment.** You may not assign this Agreement to any other party. MSGCU may assign this Agreement to any present or future, directly or indirectly, affiliated company. MSGCU may also assign or delegate certain of its rights and responsibilities under this Agreement to independent contractors or other third parties.

**XXI. Governing Law.** This Agreement shall be governed by the laws of the State of Michigan and by applicable Federal laws and regulations.

By clicking the green "agree" check mark, the member (referred to as "you" in this document) hereby agrees to the terms and conditions of this Agreement.