



## Changes in Check Processing

### Substitute Check Rights and Responsibilities

#### IMPORTANT INFORMATION ABOUT YOUR CHECKING ACCOUNT

Congress passed the Check 21 Act to increase the efficiency and improve service of clearing checks in our Nation's payment system. The goal is to clear checks faster, reduce fraud and decrease costs. It allows for the checks that you write to be converted to "Substitute Checks" which are the legal equivalent to your original paper checks.

#### Substitute Checks and Your Rights

##### *What is a substitute check?*

To make check processing faster, Federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image on the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with

##### *What are my rights regarding substitute checks?*

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500.00 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we receive your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### *How do I make a claim for a refund?*

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by calling or writing using the number or address shown on each of your periodic statements. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include—

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss: and
- A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, the amount of the check and the date of the check.

### *Expedited Clearing and Float*

These Substitute Checks will clear through our payment system faster than traditional paper checks reducing “Float” time. *Be careful; Monitor your account balance more closely.* While the checks that you write will be clearing faster, funds from your deposits will not be made available any faster. Many people write checks to pay bills and mail them on the same day of a deposit. With checks clearing faster, the checks that you write could be presented for payment prior to your deposit becoming available. Unexpected overdrafts or embarrassing Bounced Checks could occur along with costly Nonsufficient Funds Charges.

*Check 21 2/13/2018*

