

REMOTE DEPOSIT DISCLOSURE AND AGREEMENT

In this Remote Deposit Disclosure and Agreement (“RDDA”), the words “I,” “me,” “my,” “us” and “our” mean the individual member or business that applied for and/or uses any of the Remote Deposit Services (the “Services”) with Pennsylvania State Employees Credit Union (“PSECU”) described in this RDDA. My application for use of the Services and PSECU’s notification of approval of my use of the Services, and any other documents I receive from PSECU pertaining to my PSECU account (“Account”), including the Agreements and Disclosures, are hereby incorporated into and made a part of this RDDA. In the event of a discrepancy between this RDDA and my application, or PSECU’s approval of it, or the Agreements and Disclosures, this RDDA will control.

Use of the Services. Following receipt of PSECU’s approval of my use of the Services, I am authorized by PSECU to remotely deposit valid paper checks I receive to my Account by electronically transmitting a digital image of the paper checks to PSECU for deposit. My use of the Services constitutes my acceptance of the terms and conditions of this RDDA. Upon receipt of the digital image, PSECU will review the image for acceptability. I understand and agree that receipt of an image does not occur until after PSECU notifies me of receipt of the image. I understand that, in the event I receive a notification from PSECU confirming receipt of an image, such notification does not mean that the image contains no errors or that PSECU is responsible for any information I transmit to PSECU, or that the check is valid. PSECU is not responsible for any image that PSECU does not receive, or for invalid checks. Following receipt of the image, PSECU may process the image by preparing a “substitute check” or clearing the item as an image. Notwithstanding anything to the contrary, PSECU reserves the right, within PSECU’s 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 the Services is a provisional credit only and I agree to indemnify PSECU against any loss PSECU suffers because of PSECU’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 Service for lawful purposes and in compliance with all applicable laws, rules and regulations, as well as all laws pertaining to the conduct of my business if applicable. 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 PSECU 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 of this RDDA.

Check Requirements. Any image of a check that I transmit to PSECU 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 capturing the original check, (1) I will properly endorse the back of the original check as required, and (2) I agree to restrictively endorse any item transmitted through the Service as “FOR

MOBILE DEPOSIT ONLY” or as otherwise instructed by PSECU. I agree to follow any and all other procedures and instructions for use of the Service as PSECU may establish from time to time. The image of the check transmitted to PSECU must accurately and legibly provide, among other things, the following information: (1) 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); and (2) 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.

Rejection of Deposit. PSECU reserves the right to reject any item transmitted through the Service, at PSECU’s discretion. PSECU is not liable for any service or late charges levied against me due to PSECU’s rejection of any item.

Items Returned Unpaid. A written notice will be sent to me for any of my transactions that PSECU is unable to process because of returned items. With respect to any item that I transmit to PSECU for remote deposit that PSECU credits to my Account, in the event such item is dishonored, I authorize PSECU to debit the amount of such item from my Account. I am responsible for any loss or overdraft amount plus any applicable fees to my Account due to an item being returned.

E-mail Address. I agree to notify PSECU immediately if I change my email address, as this is the email address where PSECU will send me notification of receipt of remote deposit items and changes to this RDDA, as allowed by law. I understand that my failure to notify PSECU in a timely manner of any change to my email address could cause additional costs such as fees to be incurred and I agree that such costs would be my responsibility.

Unavailability of Services. I understand and agree that the Services may at times be temporarily unavailable due to PSECU’s system maintenance or technical difficulties including those of the Internet service provider, cellular service provider, and Internet software. In the event that the Services are unavailable, I acknowledge that I can deposit an original check at PSECU’s service centers or through PSECU’s ATMs, UPost@Home®, or by mailing the original check to PSECU. It is my sole responsibility to verify that items deposited using the Services have been received and accepted for deposit by PSECU. However, PSECU will email notification of items that are rejected by the next business day following rejection.

Funds Availability. The total amount posted during each deposit session will be credited to the Checking shares after each deposit image is verified and approved by PSECU. The deposit will then be immediately available for use, subject to PSECU’s Funds Availability Policy.

Accountholder’s Warranties. I make the following warranties and representations with respect to each image of an original check I transmit to PSECU utilizing the Services:

1. Each image of a check transmitted to PSECU 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), date, 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 PSECU's
 - a. Services, 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 PSECU of the change.
8. I have not knowingly failed to communicate any material information to PSECU.
9. I have possession of each original check deposited using the Services and no party will submit the original check for payment.
10. Files and images transmitted to PSECU will contain no viruses or any other disabling features that may have an adverse impact on PSECU's network, data or related systems.

Storage of Original Checks. I must securely store each original check. I agree to destroy the original check 30 business days after the check has been successfully deposited into my Account and the transaction has appeared in my transaction history. I understand and agree that I am responsible for any loss caused by my failure to secure and destroy the original check.

Securing Images on Mobile Devices. When using the Services, I understand that check images captured using my mobile device are stored on the device only until the associated deposit has been successfully submitted. I agree to promptly complete each deposit. In the event that I am unable to promptly complete my deposit, I agree to ensure that my mobile device remains securely in my possession until the deposit has been completed or to delete all associated images from the application.

Accountholder's Indemnification Obligation. I understand and agree that I am required to indemnify PSECU and hold PSECU harmless against any and all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees and expenses arising from my use of the Services and/or breach of this RDDA. I understand and agree that this paragraph shall survive the termination of this RDDA.

Limitation of Liability. I understand and agree that PSECU is not responsible for any indirect, consequential, punitive, or special damages or damages attributable to my breach of this RDDA.

Warranties. I UNDERSTAND THAT PSECU 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. PSECU IS NOT RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR MY 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. PSECU may change the terms and charges for the Services indicated in this RDDA by notifying me of such change as required by law in writing and may amend, modify, add to, or delete from this RDDA from time to time. My use of the Services after receipt of notification of any change by PSECU constitutes my acceptance of any such change.

Termination of the Services. I may, by written request received by PSECU, terminate the Services. PSECU 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 this RDDA applies only to the Services described herein. Provisions in other disclosure documents, as may be revised from time to time, remain effective for all other aspects of the Account.

Governing Law. I understand and agree that this RDDA and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the internal laws of Pennsylvania notwithstanding any conflict-of-laws doctrines to the contrary. I also agree to submit to the personal jurisdiction of the courts of Pennsylvania.

Periodic Statement. Any remote deposits made through the Services will be reflected on my monthly account statement. I understand and agree that I am required to notify PSECU of any error relating to images transmitted using the Services no later than 60 days after I receive the first monthly periodic statement that includes any transaction I allege is erroneous. I am responsible for any errors that I fail to bring to PSECU'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 that are set forth by PSECU.

Unacceptable Deposits. I understand and agree that I am not permitted to deposit the following items using the Services:

- **PSECU Check Drawn on the Same PSECU Account** – The deposit of a check that is drawn from and deposited to the same accountholder's account at PSECU is

- PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.
- **Non-Negotiable Items** – The deposit of any item stamped with a “non-negotiable” watermark is PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.
- **Altered Checks** – An altered check is any check that contains evidence of a change (correction fluid, crossed out amounts, etc.) to information on the face of the check. Members with altered checks MUST get a replacement check from the maker before PSECU will accept the deposit.
- **Foreign Checks** – A foreign check is any check that is issued to me by a financial institution in another country. Foreign checks may ONLY be deposited by mail. I must remit all foreign checks to PSECU Funds Management Unit, P.O. Box 67013, Harrisburg, PA 17106-7013.
- **Savings Bonds** – Savings bonds are not accepted through remote deposit.
- **Incomplete Items** – An incomplete item is any item that does not contain signatures of the maker, endorsement signatures, or is missing any of the information required during key-entry in a deposit session.
- **Stale-Dated Checks** – Certain checks contain instructions such as “Void 90 days after issue date” or “Must be cashed within six months of issue date.” Members with stale-dated checks MUST get a replacement check from the maker before PSECU will accept the deposit.
- **PSECU Check Drawn on Personal Account (Business Accounts Only)** –The deposit of a personal check that is drawn on the accountholder’s personal checking at PSECU is PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.
- **Third Party Checks** – The deposit of a check that is made payable to a person who is not listed as an accountholder may result in the immediate revocation of Services.
- **Substitute Checks (IRD)** – Substitute checks that are created as a reproduction of a digital image of an original check are not accepted through remote deposit.
- **Cash** – The deposit of cash is PROHIBITED. Deposits of this nature may result in the immediate revocation of Services.

Guarantee Specific to Deposits Received for Credit to a Business Account. My use of the Services for the purpose of depositing to a Business Account constitutes my understanding and agreement that I may be personally liable for any expenses PSECU incurs in attempting to obtain final payment for the item in question, outside of the routine costs associated with item processing, in the event of a default by the Business. This includes but is not limited to recovery of the amount credited in the event of non-payment, collection costs and attorney’s fees as

applicable, as well as any and all costs associated with PSECU attempting to enforce this Guarantee. This Guarantee shall benefit PSECU and its successors and assigns.

Changes in Financial Circumstances. I understand and agree that I must inform PSECU in writing immediately in the event a material change in my financial circumstances as or in any of the information provided in my application including any supporting financial information. If I am using the Services 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 to PSECU 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 PSECU, 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 ten percent (10.00%) or greater shareholder dies; 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 PSECU has a lien or security interest, including a garnishment of any of my accounts with PSECU; (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/or (m) I am in default under any agreement for borrowed money or any other material contract. I agree to provide PSECU with any financial records PSECU reasonably requests to determine my financial status during the term of this RDDA.

PSECU reserves the right to reduce deposit limits, temporarily or permanently discontinue the Services, or suspend account access by me at any time due to a change in business conditions or my failure to abide by the applicable terms of the RDDA, or any other applicable PSECU agreements and/or disclosures.

