



## DIGITAL BANKING AGREEMENT

### Digital Banking - Mobile General Terms and Conditions Agreement

All terms and conditions applicable to Y-12 Federal Credit Union's Online Banking services apply to Mobile Banking services (both are "Digital Banking"). A data service plan is not required to use this service; however standard text messaging and data fees from your device carrier may apply. Y-12 Federal Credit Union does not support your mobile device: laptop, phone, or tablet. We are not responsible for any errors, failures or any malfunction of your mobile device, the browser or software. You are responsible for the security and settings of your device. Y-12 Federal Credit Union also is not responsible for any virus or related problems that may be associated with the use of an online system. By clicking accept you agree to these terms and conditions.

### Digital Banking Agreement

1. I agree to the terms, conditions, and agreements which govern my account or joint accounts, as noted above at Y-12 Federal Credit Union (Y-12FCU) including, but not limited to the Member Services Agreement, this Digital Banking Agreement, and Internet Service Provider Agreement and Disclosure Statement, and Electronic Funds Transfer (EFT) regulations included in the Truth-in-Savings Disclosure Supplement.
2. I am responsible for all digital banking transactions and the confidentiality of my Personal Identification Number (PIN). I agree that if I give my PIN to anyone that I do understand they will be able to make withdrawals, transfers, or loan advance requests on my account(s), as specified by me, accessible through digital banking. I further understand and agree that I am responsible for all such transactions and that this authorization shall control any agreement I have with Y-12 FCU.
3. By signing this application, I acknowledge that I must have my own PIN to activate my digital banking. I understand that as an added security feature along with my PIN I will be asked to select a username and some security questions that are unique to my account. Please Note: When selecting your PIN do not choose PINs containing Date of Birth or Social Security Number. Choose a PIN that is unique and not easily recognizable to your person.
4. I agree that I will cancel and/or change my PIN and contact the credit union immediately if an unauthorized person obtains access to my PIN.
5. All monetary transactions via my digital banking account(s) will be subject to available funds on my account(s).
6. I understand this agreement is subject to change with proper written notification(s) by Y-12 FCU, at least twenty-one (21) days, prior to the effective date of the change(s), or as otherwise provided by law.
7. Y-12 FCU may terminate or restrict digital banking transactions without notice, and I may terminate this agreement, at any time, by giving written notice and verification by Y-12 FCU.
8. I do understand that transactions through digital banking will occur via the Internet and although Y-12 FCU uses several layers of technology to ensure the confidentiality of transactions across the Internet, Security begins with my browser. Thus, digital banking internet service requires that I use the latest versions of my preferred browser to ensure the highest level of security for my Internet transaction. I do also understand that I should exit my browser when leaving the computer so that no one other than myself can view my account information. Y-12 Federal Credit Union is using the services of a third-party vendor which has limited liability in its contract with Y-12 FCU. Pursuant to that contract, Y-12 FCU, shall not be liable in any case for incidental consequential punitive or direct damages, attorney's fees, or court costs to the member arising out of the credit union's breach with the agreement with the member; except that the credit union will fully indemnify the member for any loss due to gross negligence on the part of its third-party vendor or its equipment system, software and/or human error.

Easy Pay disclosures are located [here](#).

### Digital Banking Remote Deposit Capture

Y-12 Federal Credit Union, a federal credit union, and "Member" as defined below, hereby enter into, as of the date the Credit Union grants access to the Services (the "effective date"), this Digital Remote Deposit Agreement ("agreement"). The agreement consisting of general terms and conditions, exhibits, and any amendments attached hereto or hereafter implemented by Credit Union, and incorporated by this reference.

## **Digital Remote Deposit Capture General Terms and Conditions Agreement**

This agreement establishes the rules that govern the processing of deposited checks through member's account(s) at the Credit Union using Digital Remote Deposit. From time to time, the Credit Union may amend any of the terms and conditions contained in this agreement at its sole discretion. Such amendments shall become effective as stated on any notice sent to you, the member. Examples of such notices might include, but are not limited to, newsletters, disclosures, etc. By using the Digital Remote Deposit, you accept all the terms and conditions of this agreement. Please read it carefully. The terms and conditions of member's Membership Agreement and the Truth-In-Savings Schedule for member's share accounts and each of member's loan agreements continue to apply notwithstanding anything to the contrary in this agreement.

### **Rules, Laws and Regulations**

You agree to abide by and comply with all local, state, and federal rules, laws, and regulations. These rules include but are not limited to Regulation CC "Expedited Funds Availability Act", its Subparts B, C and D (Subpart D implements the Check Clearing for the 21st Century Act (Check 21 Act). The Bank Secrecy Act (BSA), and laws administered by the United States of America which are in existence as of the date of this agreement and as amended from time to time.

### **Definitions**

In addition to all the other terms defined herein, the following terms shall have the following meanings:

1. "We", "Our", "Us", and "Credit Union" shall mean Y-12 Federal Credit Union, its employees, directors, officers, representatives, and agents.
2. "You", "Your", and "Member" shall mean the account holder authorized by Credit Union to use the Digital Remote Deposit, and any user authorized to exercise control over funds deposited in member's account through the Digital Remote Deposit program.
3. "Account" or "Accounts" shall mean the individual checking, savings share(s), or loan(s) deposited with Credit Union through the Digital Remote Deposit program.
4. "Check", "Checks", "item", or "item(s)" shall mean negotiable demand draft(s) drawn or payable through an office of a United States based financial institution, as well as demand draft(s) drawn on a Federal Reserve Bank or a Federal Home Loan Bank or on the Treasury of the United States. Check(s) include original check(s) and substitute check(s). Check(s) do not include noncash items payable in a medium other than United States dollars. A draft may be a check even though it is described on its face by another term, such as "money order."
5. "Image item" means digitized image(s) of check(s) that are created by you and transmitted to the Credit Union using the services.
6. "Services" means any of the Digital Banking Remote Deposit functions offered and or used by you in connection with this agreement, including optional and future services added by an addendum.
7. "System" means the program that is maintained by the Credit Union, or other third parties, that you connect to through the internet in order to access the services.
8. Digital Banking Remote Deposit may be commonly referred to as Mobile Deposit.

### **Services and Funds Availability**

Once approved for the Digital Banking Remote Deposit program, you may use the services to deposit checks into your account(s) with the Credit Union, subject to the terms of this agreement. Checks deposited through the services will be converted to image items for processing. The services are subject to transaction limitations as set forth in the Membership Agreement and Truth-In-Savings schedule, which govern the use of your account. We are notifying you in advance that deposits made by the Digital Banking Remote Deposit program do not fall under the standard provisions of Regulation CC – Expedited Funds Availability Act. As such, longer hold periods may apply. Y-12 enforces daily and monthly deposit limits which are displayed within the Digital Banking app. Local checks deposited through the Digital Banking Remote Deposit program will generally be made available based on your account relationship and activity with the Credit Union.

If you have questions about the specific availability of funds for a deposit, review your account information online or contact us to obtain additional information.

The Credit Union reserves the right to change deposit limits at any time at our discretion and without notice.

## **Returned Checks**

Any credit to your account using Digital Banking Remote Deposit is provisional. If a check through Digital Banking Remote Deposit is dishonored, rejected, or otherwise returned as unpaid by the drawee bank, or the item is rejected, or returned by a clearing agent or collecting bank, for any reason, including, but not limited to, issues relating to the quality of the image, you agree that an original check will not be returned to you, but that we may charge back the amount of the original check and provide you with an image of the original check, a paper reproduction of the original check, or a substitute check. You will reimburse us for all loss, cost, damage, or expense caused by or relating to the processing of the returned item, and you may be charged or reassessed interest and/or fees as a result of the returned check. Without our approval, you shall not attempt to deposit or otherwise negotiate an original check if it has been charged back to you.

We may debit any of your accounts to obtain payment for any item that has been rejected or returned. For any adjustment related to such item or for any warranty claim related to such item, whether or not the rejection, return, adjustment, or warranty claim was made timely. Checks deposited through Digital Banking Remote Deposit into any account or loan payment returned unpaid for any reason are subject to the "Returned Item Fee" as described in the Truth in Savings disclosure provided at account opening, in addition to any other fees or interest that may apply according to the current fee schedule.

If a payer financial institution or other third party makes a claim against us or seeks a re-credit with respect to any image item processed, we may provisionally freeze or hold aside a like amount in the applicable account pending investigation and resolution of the claim.

## **Member Eligibility**

You understand that you must be a Y-12 Federal Credit Union member in good standing and meet other pre-determined qualifying factors to qualify for the services. To determine if you are eligible for these Services, visit any Credit Union branch or contact the Call Center at 865-482-1043 or 800-482-1043.

## **Access**

To use Digital Banking Remote Deposit, you must have a compatible mobile device with our system, and access to telecommunication services necessary for the Digital Banking Remote Deposit service. Application upgrades may be required from time-to-time for continued use of the services.

## **Equipment or System Failure**

In the event of a system failure, you agree that, in order to deposit your checks, you must deliver them directly to a Credit Union branch office for processing. If the checks were scanned prior to the system failure, you must obtain our approval before delivering the checks to a branch office for processing.

## **Hours of Access**

Services are generally available 24 hours per day, 7 days per week, although some or all services may not be available occasionally due to emergency or scheduled system maintenance or other interruptions of the system. Transmission deadlines and funds availability terms and conditions apply. We agree to post notice of any extended periods of non-availability on the Digital Banking Remote Deposit and on Credit Union website.

## **Transmission Deadlines**

Transmissions originate from the Credit Union offices in Knoxville, Tennessee. Image item deposits completed through the System before 3:00 p.m. Eastern Standard Time on a business day are posted to member's account the same day, subject to funds availability. In the event that we receive an image item from you after 3:00 p.m. Eastern Standard Time, or on a day that is not a business day, the Image item is considered as received by us at the opening of the next business day and will be posted by 10:00 a.m. For the Digital Banking Remote Deposit program, a business day is described as Monday through Friday, except for Federal holidays, holidays observed by the State of Tennessee, and holidays observed by the Credit Union. You are responsible for understanding and building into your transmission schedule the changes in transmission windows required by time changes associated with Daylight Savings Time.

## Authorized Users

The Credit Union shall be entitled to rely on the apparent authority of any person who accesses the services using valid member and user login IDs and passwords, including such persons who may not be signers on member's account. Except as otherwise provided by law, you will indemnify the Credit Union and hold it harmless for any loss or expense caused by any person with the apparent authority to access the services. You agree to provide each authorized user a copy of these terms in connection with their use of the services. The Credit Union may elect to verify the authenticity or content of any transmission by placing a call to any authorized signer on your account at our discretion. We may deny your access to the services without prior notice if we are unable to confirm any person's authority to access the services or if we believe such action is necessary for security reasons.

## Security

You understand the importance of your role in preventing misuse of your accounts associated with the Digital Banking Remote Deposit program, and you agree to promptly examine your paper or electronic statement for each of your Credit Union accounts as soon as you receive it and notify us of any errors in accordance with your Account Membership Agreement. You agree to protect the confidentiality of your accounts and account number and passwords. Data transmitted via the services is encrypted in an effort to provide transmission security. Digital Banking Remote Deposit utilizes identification technology to verify that the sender and receiver, of transmissions related to the services can be appropriately identified by each other. Notwithstanding our efforts to ensure the services are secure, you acknowledge that there is a risk when utilizing the internet. We cannot, and do not, warrant that all data transfers utilizing Digital Banking Remote Deposit or e-mail transmitted to and from us will not be monitored or read by others. You agree to notify us immediately if you believe any passwords have been lost, stolen, used without your permission, or otherwise compromised. Call us immediately at our Call Center at the number in the contact information section of this agreement.

## Use of Services

As a condition to using the services, you agree that you are solely responsible for the use of the Services and that you will use the Services in accordance with this agreement. You agree not to attempt to circumvent the security features of the services or the system or make any improper or unauthorized transfer of funds from accounts via the services or the system. You agree that you are prohibited from engaging in conduct that would violate the proprietary rights of the owner(s) of the system and the services as well as accessing or using the system or the services in any other unauthorized manner. You agree to be liable to the Credit Union and its vendors, for any claims, losses, liabilities, damages, expenses, or costs arising as a result of the negligent or intentional misuse of the services or the system by you or your authorized users.

You are prohibited from using the services for any activity that:

1. Would result in you being or becoming a "money service business" as defined in the Bank Secrecy Act and its implementing regulations; or
2. Indicates acceptance of restricted transactions in connection with another person in unlawful Internet gambling as defined in the Unlawful Internet Gambling Enforcement Act and Regulation GG (Prohibition on Funding of Unlawful Internet Gambling); or
3. Is directly or indirectly related to the use of the services that is illegal or fraudulent. The Credit Union may immediately suspend the services or the system or the processing of any check or corresponding electronic image item if we have reason to believe that there has been a breach in the security of the services or system, fraud involving your account(s) or check(s), or any uncertainty as to the authorization or accuracy of electronic image items, including the right to process electronic image items on a collection basis at any time.

## Deposit of Original Checks

You agree that no check deposited to the Credit Union shall cause funds to be debited more than once from the account of the maker. You agree that the original check, a duplicate check image, or any copy of the original check or check image will not be deposited by you with the Credit Union (unless we instruct you to do so) or under any circumstances with any other financial institution.

## Check Retention Period

You agree that you will preserve the originals of all checks, processed through the services pursuant to this agreement for thirty (30) calendar days after the day of deposit ("Retention Period"). After you receive the "Deposit Successful" message, write "Digital Deposit" on the check front. The risk of loss due to the unavailability of the original or copy of a check for any reason, during the retention period, shall be exclusively on the member.

### **Destruction of Original Checks**

You will be fully responsible for the destruction of the checks. You agree to use commercially reasonable method(s) to destroy original checks after the required retention period has expired. You agree to destroy and dispose of the original checks with a high degree of care, including selecting and implementing appropriate destruction and disposal procedures. You are required to implement such procedures to ensure that the original checks are not accessed by unauthorized persons during the storage, destruction, and disposal process and once destroyed, the original checks are no longer readable or capable of being reconstructed (e.g., through the use of competent shredding equipment). The risk of loss associated with the accidental inclusion of a physical check in the check collection process or with a lost, destroyed, stolen or misplaced check shall be exclusively on the member.

### **Member Representations and Warranties**

You represent and warrant that all checks transmitted through the use of the services are made payable to the member, all signatures and endorsements on each check are authentic and authorized, and each check has not been altered.

### **Prohibited Checks**

You agree that you will not use the Service to scan and deposit any items as shown below:

- Checks payable to any person or entity other than you
- Checks prohibited by, or received in violation of, any law, rule, or regulation
- Checks containing alteration to any of the fields on the front of the check or item, or which you know or suspect, or should know or suspect, are fraudulent or otherwise not authorized by the owner of the account on which the check or item is drawn
- Checks that have been previously cashed or deposited
- Third party checks
- Checks that are postdated or stale dated
- Checks payable to cash
- Checks drawn on financial institutions that are located outside the United States
- Checks written in pencil
- Savings Bonds
- Traveler's Checks
- Money Orders
- Checks that are drawn or otherwise issued by the U.S. Treasury Department

**PLEASE NOTE:** All Checks that you attempt to deposit using Digital Banking Deposit are subject to verification by us. We may reject an item for deposit for any reason and will not be liable to you. In such a case, you will need to deposit the item using other means, such as visiting one of our branches.

### **Endorsement of Checks**

You agree to properly endorse each check prior to submitting such check through the use of the services. Your endorsement must include your signature and "FOR REMOTE DEPOSIT ONLY AT Y12FCU." Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility.

A check payable to two payees, without an indication as to whether it is made out to both or to either, must be endorsed by both payees. If the check is payable to you OR your joint owner, either of you can endorse it. If the check is made payable to you AND your joint owner, both of you must endorse the check.

## Image Quality

You are responsible for inspecting and verifying the quality of the images associated with image items, thus ensuring that the digitized images of the front and back of original checks are legible for all posting and clearing purposes by the Credit Union. Specifically, you are representing and warranting to the Credit Union that:

1. The image item is an accurate representation of all information on the front and back of the original check at the time the original check was converted to an image item, and the image item contains all endorsements from the original check necessary to permit Credit Union to:
  - a. Acquire rights of a holder in due course in the collection process of checks and other items; and
  - b. Handle, process, maintain and destroy original checks; and
  - c. Ensure that neither Credit Union or any other financial institution (depository, collecting or payor), drawee, drawer or endorser receives presentment or return of, or otherwise is charged for a check or image item more than once in any form.
2. Each image item (or related electronic data file) contains a record of all MICR line (special characters printed on the bottom of a check) information required for a substitute check and otherwise satisfies all of the requirements of the American National Standards Institute (ANSI) X9.37 standards for image quality required by Check 21 and Regulation CC for the creation and/or transferring of a substitute check created from that image item.

## Adjustments

Once an image item is captured, the system will display captured encoded fields for your review. You will be required to make corrections to encoding not read or missing from the scanned check, including entering the legal amount of the check. We reserve the right to adjust your deposit after you have submitted it for processing. Adjustments are to correct mistakes in the value of image items deposited, mistakes in encoding, or for missing or illegible image items.

## Termination

We are permitted to terminate or suspend any or all the services immediately should you breach any part of this agreement, or of the membership agreement. We are also permitted to terminate any or all the services immediately if we are no longer able to provide such services.

## Confidentiality

You acknowledge that we will disclose information to third parties about your account or the image items you deposit:

1. To enable Your access to the services and the system,
2. When it is necessary for completing deposits, and
3. As required by law.

**NOTE:** Items deposited using Digital Banking Remote Deposit are subject to our verification and final inspection process. We may at any time deposit an image item or return all or part of a deposit of multiple image items to you without prior notice. We are under no obligation to inspect or verify any image item to determine accuracy, legibility, or quality of the image item or MICR line information associated with the image item, or for any other purpose. However, we may correct or amend MICR line information associated with an image item to facilitate processing of the image item, or a substitute check created from that image item. We may process and collect an image item or a substitute image item through one or more check clearing houses, Federal Reserve Banks, or other private clearing agreements with other financial institutions. We may hold and use funds in any deposit account of yours following termination of this Agreement and the services for such time as we reasonably determine to be necessary for us to be assured that no image item processed by us prior to termination may be returned, charged back, or otherwise become a source or cause for any loss, liability, cost, exposure or other action for which the Credit Union may be responsible, with such right being in addition to any other rights we may have with respect to your accounts. Without limitation, you recognize that under the Rules, the UCC, Regulation CC and the rules of any image exchange network, our representations, and warranties to others with regards to image items and substitute checks may expose the Credit Union to claims for several years following processing of any particular image item or substitute check.

## Contact Information

Notifications required by this agreement are to be directed to us at the address or phone numbers listed below.

**Y-12 Federal Credit Union**  
**PO Box 2512**  
**Oak Ridge, TN 37831-2512**  
**800-482-1043**

## Disclaimer of Warranty and Limitation of Liability

We make no warranty of any kind, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, in connection with the Digital Banking Remote Deposit Services provided to you under this agreement. We do not and cannot warrant that Services will operate without errors, or that any or all services will always be available and operational. Except as specifically provided in this agreement, or otherwise required by law, you agree that our officers, directors, employees, agents, or contractors are not liable for any indirect, incidental, special or consequential damages under or by reason of any services or products provided under this and or by reason of your use of or access to Digital Banking Remote Deposit Services. The Credit Union shall be responsible only for performing the services expressly provided for in this agreement and shall be liable only for its negligence in performing those services. The Credit Union shall not be responsible for the member's acts or omissions (including without limitation the amount, accuracy, or timeliness of transmittal) or those of any person, including without limitation any Federal Reserve Financial Institution or transmission or communications facility, and no such person shall be deemed the Credit Union's agent. The member agrees to indemnify the Credit Union against any claims, damages, loss liability, or expense (including attorney's fees and expense) resulting from or arising out of any claim of any person that the Credit Union is responsible for any act or omission of the member, or any other person described in this paragraph. In no event shall the Credit Union be liable for any consequential, special, punitive, or indirect loss or damage which the member may incur or suffer in connection with this Agreement, including without limitation, loss of damage from subsequent wrongful dishonor resulting from the Credit Union's acts or omissions pursuant to this Agreement. Without limiting the generality of the forgoing provisions, or the provisions of this Agreement, the Credit Union shall be excused from failing to act or from 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. In addition, the Credit Union shall be excused from failing to transmit or delay in transmitting a deposit if such transmittal would result in the Credit Union violating any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other United States governmental regulatory authority. Notwithstanding any other provision set forth herein to the contrary, in the event of default under the terms of this agreement by the member, the Credit Union shall have all rights and remedies available at law or in equity.

## Governing Law

You 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 the State of Tennessee, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary. You also agree to submit to the personal jurisdiction of the courts of the State of Tennessee.

## Severability

If any provision of this agreement is held to be illegal, invalid, or unenforceable under present or future laws, the remaining provisions shall remain in full force and effect.

## Acceptance

Your use of the services constitutes your acceptance of this agreement. The Credit Union reserves the right to change the terms for the services described in this agreement by notifying you of such change by email and we may amend, modify, add to, or delete from this agreement from time to time. Your continued use of the services after notification will indicate your acceptance of the revised agreement.