

Good-Bye Float!

Member mails or deposits check



Credit Union honors checks and debits member's account. Substitute check, or original check, may be returned to member.



NEW STEP IN PROCESS CAN OCCUR AT POINT A, B, or C

▲ C

▼ Depositor or depository institution images the check and either transmits the image or strategically prints a substitute check.

Credit Union receives and deposits check

▶ A



▶ B



Please note that Check 21 does not effect the status of Federally Insured Funds under NCUA.

Depository Institution receives check...

Clearing channel (Federal Reserve, Clearinghouse, Direct Send) receives substitute check and debits client's financial institution.

Check 21 will reduce check clearing time from days to hours.

The Check Clearing for the 21st Century Act (Check 21) will cut the time it takes a check to clear from days to hours. So if you need to change your checking habits, do so before it's too late.

Effective October 28, 2004, the Check 21 Law promotes a new payment efficiency for both Consumers and Business by reducing some of the legal barriers to check truncation.*

Supporters of the Act say it could reduce the cost of trucking and flying the paperwork cross-country by \$2 billion a year.

The law eases the electronic exchange of checks by making electronic check processing voluntary and not mandatory. The law mandates that all institutions must accept a substitute check (the paper copy of an electronic check file), but doesn't mandate that all financial institutions be willing to accept electronic checks.

* Truncation is the removing of an original paper check from the check collection or return process.

BENEFITS and SERVICES

Savings and Checking

- Statement Savings
- Share Draft / Checking Accounts
- Student Checking Accounts
- Business Checking Accounts
- Certificate of Deposit (CDs)
- Traditional and Roth IRA
- Money Market Accounts
- Club Accounts

Real Estate Loans

- Fixed Rate First Mortgage
- Adjustable Rate First Mortgage
- Home Equity Line of Credit
- Home Owners Loans
- Fixed Rate Equity

Consumer Loans

- Personal Loans
- Share Secured Loans
- Revolving Line of Credit
- Closed End Signature Loans
- New and Used Vehicle Loans
- Recreational Vehicle Loans
- Overdraft Line of Credit
- MasterCard Credit Card

Additional Services

- Direct Deposit
- Payroll Deduction
- Debit MasterCard
- Credit Union Checks
- Traveler's Checks
- COASTLine Audio Response
- COASTNet On-line Banking
- e-Statements
- Bill Payer Service

There's Even More!

- Family Membership
- Credit Score Education
- Notary Public Service
- Drive-Up Window
- Drive-Up ATM

www.seacoastfcu.org



Check 21

- Substitute Check Policy Disclosure -
Your Rights and Our Obligations
Under the Law



SEACOAST CREDIT UNION

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Phone (603) 926-5653 - Fax (603) 929-4001

PO Box 1027
109 Epping Road - Exeter, NH 03833
Phone (603) 418-0234 - Fax (603) 418-0239

www.seacoastcu.org



Deposits Insured to \$250,000 by the National Credit Union Administration

SEA-7010 Rev 10/08

IMPORTANT INFORMATION ABOUT YOUR CREDIT UNION CHECKING ACCOUNTS

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 of 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 respect to those transactions.

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 dividends on the amount of your refund if your account is a dividend 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 of your refund (plus dividends if your account earns dividends) within 10 business days after we received your claim and the remainder of your refund (plus dividends if your account earns dividends) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any dividends 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 at:

887 Lafayette Road
Hampton, NH 03842

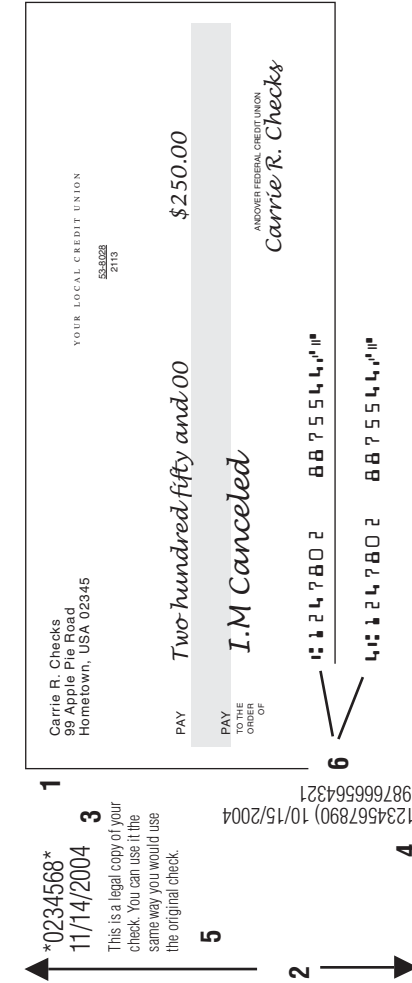
Phone: (603) 926-5653

Fax: (603) 929-4001

You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a 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: (identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check).



1. An image of the original check appears in the upper right-hand corner of the substitute check.

2. A substitute check is the same size as a standard business check; usually 2 3/4 x 6.

3. The numerical information in asterisks relates to the "reconverting financial institution" that created the substitute check. The date is posted below.

4. The information in brackets (which will appear sideways along the left edge of the check image) relates to the truncating institution, the bank or credit union, that removed the original check from the check processing system.

5. The Legal Legend states: *This is a legal copy of your check. You may use it the same way you would use the original check.*

6. The MICR lines at the bottom of the image of the original and at the bottom of the substitute check must be identical EXCEPT for the "4" at the beginning of the substitute check number. The "4" indicates the form is a substitute check and is being forwarded for collection purposes.

A substitute check number can also begin with a "5". This would signify the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.