

ARKANSAS BEST FEDERAL CREDIT UNION
Mobile Deposit Service Terms and Conditions

September 2018

CONSUMERS: PLEASE READ THIS AGREEMENT CAREFULLY AND KEEP A COPY FOR YOUR RECORDS.

Service Definitions

"We", "us" and "our" means Arkansas Best Federal Credit Union and all of its respective successors or assigns.

"You" and "your" mean an individual person that we permit to use the Mobile Deposit Service subject to the terms of this agreement.

"Access Codes" include the customer identification number, log-in, password and any other means of access to the Service we establish or provide for you.

"Business Day" means every Monday through Friday, but does not include holidays.

"Compatible Mobile Device" means an Android™ or iPhone® phone with a rear-facing camera.

"Consumer Account" means an account established primarily for personal, family, or household use.

"Online" means through the Internet by use of a personal computer or other screen-based electronic device.

"Service" means our Mobile Deposit Service.

Use of Service

This Service allows you to deposit checks into your eligible accounts with us from a remote location by digitally imaging, or photographing, an item with a Compatible Mobile Device that then delivers the image and associated deposit information to us electronically. You can only submit one check deposit at a time. You may submit additional check deposits consecutively, after each submission is complete.

You may use the Service only for non-business, personal use in accordance with this agreement. In order to use the Service, you must obtain and maintain, at your expense, a Compatible Mobile Device. We are not responsible for the functionality or maintenance of any third party hardware or software you may need to use the Service.

Agreement Acceptance

This agreement applies to Consumer Accounts only.

You must read and accept this agreement before you may begin making mobile deposits. Please read this agreement carefully and keep a copy for your records. Use of the Service means you accept and agree to all terms and conditions of this agreement.

Eligibility and Qualification Requirements

You must first download our Mobile App on your Compatible Mobile Device in order to access the Service. You must have at least one account with us that is eligible for the Service.

To qualify for the Service, you must meet eligibility criteria as dictated by us including, but not limited to, the following:

- You have been a Member with us for at least 90 days;
- You have no delinquent or charged-off share accounts or loans with us;
- You are 18 years of age or older;
- Your mailing address on our records must be current and valid, and account is not inactive.

Eligible Accounts

The following types of accounts are eligible for the Service:

- Regular Share Savings Accounts
- Special Share Savings Accounts
- Vacation / Christmas Club Savings Accounts
- Checking Accounts

Limitations of Service

When using the Service, you may experience technical or other difficulties. We do not assume liability for any technical or other difficulties that you may incur. We reserve the right to change, suspend or revoke the Service immediately and at any time without prior notice to you. In the event the Service is not available to you, you acknowledge that you can deposit your check at a branch office location, shared branching service center, or through a participating ATM, or by mail.

Charges or Fees

No usage fee is charged for a mobile deposit made into any account using the Service. We reserve the right to change the usage fee for the Service at any time. We will comply with any notice requirements under applicable law for such changes.

If an item you transmit for deposit is dishonored, rejected or otherwise returned unpaid, you agree that we may charge back the amount of the return to the account the check was originally deposited to and you will be assessed a fee in the amount shown on our current Fee Schedule for a returned deposit item. If there are not sufficient available funds in your account to cover the amount of the returned check, the account will be overdrawn and you will be responsible for payment. You agree that we may debit any account maintained by you in order to obtain payment of your obligations under this agreement.

You acknowledge that wireless providers may impose fees, limitations, or restrictions. You agree that you are solely responsible for all such fees, limitations, and restrictions, and that we may contact you via your wireless device for any purpose concerning your accounts with us, including but not limited to account servicing and collection purposes.

Eligible Items

Subject to exclusions described elsewhere in this agreement, you agree to scan and deposit only "checks" as that term is defined in Federal Reserve Regulation CC, Availability of Funds and Collection of Checks. You may only use the Service to deposit original paper checks that are made payable to the name of the account owner.

Ineligible Items

You agree that you will not use the Service to scan and deposit any ineligible item. Ineligible items include, but are not limited to, the following:

- Checks payable to any person or entity other than you;
- Checks payable to two (2) or more persons not alternatively, unless deposited into an account owned by all payees (for example, a check made payable to "John and Jane" cannot be deposited into an account that is not owned by both John and Jane);
- Checks payable to a business, organization, or estate;
- Checks payable to "Cash," "Arkansas Best Federal Credit Union," or "ABFCU" ;
- Third party checks (for example, a check that is payable to someone else, endorsed and signed over to you);
- Checks that are incomplete (for example, any item that does not contain the signature of the maker, endorsement signature(s), or other required information);
- Demand drafts or remotely created checks (for example, checks lacking the original signature of the person authorizing the check);
- Substitute checks (for example, paper checks created from an electronic image);
- Photocopies of checks;
- Checks that require authorization;
- Checks with inconsistent numerical and written dollar amounts;
- Checks that are not dated;
- Checks that are stale-dated (for example, ninety (90) days or more after the issue date for checks containing instructions that state "Void 90 days after issue date");
- Checks that are post-dated (for example, a check showing a future date);
- Checks that are more than six (6) months old;
- Checks containing an obvious alteration to any of the fields on the front of the check or item;
- Checks that you know or suspect are fraudulent or not properly authorized;
- Checks not payable in United States currency;

- Checks issued by a financial institution located outside the United States;
- Checks transmitted from an Office of Foreign Assets Control (OFAC)-restricted country;
- Checks drawn or otherwise issued by you or any other party on any of your accounts with us;
- Consumer loan, credit card or mortgage payments;
- Money orders or travelers checks;
- Starter or counter checks;
- Amex Gift Cheques;
- Savings bonds;
- Registered government warrants;
- Insurance drafts;
- Rebate checks;
- Non-negotiable items (for example, items stamped “non-negotiable”);
- Deposits to IRA, HSA, or Share Certificate accounts;
- Deposits to Trust accounts, Representative Payee accounts, Estate accounts or other accounts with similar custodial arrangements;
- Checks that exceed the deposit limit(s) that we establish for the Service;
- Checks previously submitted for deposit;
- Checks that have previously been returned unpaid for any reason; and
- Checks purporting to be a lottery or prize winning.

Image Quality

The image of the item transmitted to us must be clearly legible. The image being transmitted must comply with all standards for image quality established by American National Standards Institute, including but not limited to ANSI X9.100-140, clearing house, association or any other regulatory agency.

Endorsement Requirements

You agree to endorse all items with your signature on all items. We reserve the right to reject all items that are not endorsed as specified.

Deposit Limits

For security reasons, we implement limits on the number and/or dollar amount of mobile deposits you can make using the Service. We reserve the right to change these limits or suspend access to the Service as we deem necessary for security reasons.

When using the Service to deposit funds:

- Maximum amount of deposit per check \$5,000.
- Maximum amount of deposits per day \$5,000
- Maximum amount of immediate credit per check \$500

- Maximum amount of immediate credit outstanding \$500
- Maximum # of checks per day 5
- Maximum amount in rolling 30 days \$15,000

Receipt of Items

We are not liable for items we do not receive or for images that are not transmitted completely.

An image is considered received when the status of the item is “Accepted” and the description of the item is “Submitted and Pending Review”. However, such status and description of the item does not mean that the transmission was without error. Once an item is reviewed and approved, the status of the item is “Accepted” and the description of the item is “Your check has been accepted and processed”.

Right to Reject Items

We reserve the right to reject any item transmitted through the Service, at our discretion. This right is without limitation, subject to applicable law, and includes, but is not limited to, the right to reject any item whether or not the status of the item is “Accepted” or the item has been received, reviewed, approved, or processed. If we reject an item, you agree that we may charge back the amount of the item to the account to which the check was originally deposited. If there are not sufficient available funds in your account to cover the amount of the item, the account will be overdrawn and you will be responsible for payment; you may also be assessed an overdraft fee in the amount shown on our current Fee Schedule. You agree that we may debit any account maintained by you in order to obtain payment of your obligations under this agreement.

Cut-Off Time

The Cut-Off Time is 4:00 PM CST.

The Cut-Off Time is determined by the time displayed on our internal system clocks and may not necessarily be synchronized with the internal clock displayed on your Compatible Mobile Device. For this reason, we suggest that you transmit an item for mobile deposit to us sufficiently in advance of any Cut- Off Time to eliminate the possibility of missing the cutoff.

Provisional Credit and Availability of Funds

Below is our general funds availability policy for the Service:

If an item is transmitted before the Cut-Off Time:

- Up to \$500.00 may be made available when the item has been reviewed and approved, which occurs when the status of the item is “Accepted” and the description of the item is “Your check has been accepted and processed”; and

- Anything greater than \$500.00 but less than or equal to \$5,000.00 is available on the Business Day after the item has been reviewed and approved.

An item transmitted after the Cut-Off Time will be treated as having been transmitted the next calendar day and will not be received earlier than the next calendar day.

Credit given for the item is provisional and subject to final approval of the item. Funds you deposit may be delayed for a longer period of time when we have reasonable cause to believe the check is uncollectable. We will notify you if we delay your ability to withdraw funds beyond the general funds availability policy, and we will tell you the time period within which the funds will be available for withdrawal. We are notifying you in advance that deposits made by the Service program do not fall under the standard provisions of Regulation CC. As such, longer hold periods may apply. You agree to receive notice of extended hold times via Secured Message within online banking. In some instances, check holds may be adjusted or removed the same or the next business day after the mobile check deposit is made. With respect to each item you send to us for deposit, you agree to indemnify and reimburse us for and hold us harmless from and against any and all losses, costs, and expenses.

Method of Presentment

The manner in which items are cleared, presented for payment, and collected shall be in our sole discretion. You agree to be bound by any clearinghouse agreements, operating circulars, and image exchange agreements to which we are a party.

Retention and Disposal of Items

You agree to retain each item no fewer than 45 days after your funds have been posted to your account. Upon receipt of these funds, you agree to mark the items prominently as "Deposited on x/x/xx date" and to dispose of the item(s) in a way that prevents representing for payment. You agree to store each retained item in a secured locked container until such proper disposal is performed. You will promptly provide any retained item to us as requested to aid in the clearing and collection process or to resolve claims by third parties with respect to any item.

Statements

Your mobile deposits made using the Service will be included on the periodic statements we provide or make accessible to you for your account(s) with us. We may also provide or make accessible to you statement information electronically or by some other means. You agree to notify us promptly if you change your mailing address, your e-mail address or if you believe there are any errors or unauthorized transactions on any statement or in any statement information.

Errors or Discrepancies

Notify us at 479-649-2060 as soon as possible if you believe your statement is incorrect or if you need more information about a transaction listed on the statement. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem appeared. Tell us your name and

account number. Describe the error or transaction you are unsure about, and explain as clearly as you can why you believe it is an error and why you need more information. Tell us the dollar amount of the suspected error.

If you do not notify us within 60 days from the date your statement was sent to you, you may not be compensated for any losses.

Security Requirements

To prevent unauthorized usage of the Service, you agree to ensure the security of the Compatible Mobile Device(s) you own and use to access the Service. Securing these devices includes without limitation installing operating system patches, antivirus software, firewall and spyware detection as applicable, keeping this security software current, and securing the physical device from theft or unauthorized use. You agree to provide additional information regarding your security measures upon request.

You agree to comply with all of our present and future security procedures for the Service covered by this agreement. This includes, but is not limited to, protection of Access Codes and other personal information. If you permit any other person or entity to use the Service or to access or use your Access Codes or other means to access your account(s), you are responsible for any transactions and activities performed on your account(s) and for any use of your personal and account information by such person or entity. If you believe someone may attempt to use your Access Codes or other means to access your account(s) without your permission, or that any other unauthorized use or security breach has occurred, you agree to immediately notify us at 479-649-2060. We may at our option change the parameters for the Access Codes without prior notice to you.

You agree that our current security procedures are commercially reasonable. We may advise you of changes to the security procedures to the extent they affect your use of the Service, but failure to do so will not affect your obligations or our rights. You agree to give all of our security procedures the highest level of confidentiality and to ensure that no Access Codes are used by or accessible to anyone other than persons you have authorized.

Notwithstanding any security procedure which may from time to time be in effect for detecting errors in transactions covered by this agreement, we have no duty to discover or report to you any such errors. Neither shall we be liable to you for the failure of such security procedure to detect such errors, regardless of the manner in which we apply such security procedures.

Disclaimer of Warranties

Our representations, warranties, obligations, and liabilities and your rights and remedies set forth in this agreement are exclusive. The software is provided by us and our licensors "AS IS" and on an "AS AVAILABLE" basis. We disclaim all warranties of any kind as to use of the Service, whether express or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. We make no warranty that (i) the Service will meet your requirements, (ii) the Service will be uninterrupted, timely, secure or error free, (iii) the results that may be obtained from the Service will be accurate or reliable, and (iv) any errors in the Service or technology will be corrected.

Limitation of Liability

UNLESS OTHERWISE REQUIRED BY LAW, WE WILL NOT BE RESPONSIBLE FOR ANY LOSSES, DAMAGES, OR LIABILITIES ARISING FROM OR RELATED TO USE OF THE SERVICE DESCRIBED IN THIS AGREEMENT. We are not liable for any loss or damages resulting from any failure of your Compatible Mobile Device or other equipment, hardware or software. We are not responsible for any electronic virus that you may encounter. Our liability for errors or omissions with respect to the data transmitted or printed by us will be limited to correcting the errors or omissions.

Risk Of Loss

In the event of a system failure or interruption, your data may be lost or destroyed. Any mobile deposit that you initiated, were in the process of completing, or completed shortly before a system failure or interruption should be verified by you through means other than Online to ensure the accuracy and completeness of such transaction. You assume the risk of loss of your data during any system failure or interruption and the responsibility to verify the accuracy and completeness of any mobile deposit so affected.

Attorney Fees

If we become involved in legal action to defend or enforce this agreement, you agree to pay our reasonable attorney fees and court costs, to the extent not prohibited by law.

Records

Our records kept in the regular course of business shall be presumed to accurately reflect the contents of your instructions to us and, in the absence of manifest error, will be binding and conclusive.

User Warranties and Indemnification

You warrant to us that:

- You will not allow someone access to your MDS who is not a joint owner on your account.
- You will only transmit eligible items that are properly endorsed;
- Images meet the image quality standards;
- You will not transmit duplicate items;
- You will not deposit or re-present the original item once it has been scanned and sent through the Service unless specifically requested to do so by us;
- All information you provide to us is accurate and true;
- We will not sustain a loss because you have deposited an image;
- You will comply with this agreement and all applicable rules, laws and regulations; and
- Items you transmit do not contain viruses.

You agree to indemnify and hold us harmless from any loss for breach of the warranty provision.

Change in Terms

We reserve the right to change the terms and conditions of the Service, or terminate this agreement without notice at any time. You may terminate this agreement at any time by notifying us in writing, however, any use of the Service will continue in effect until we have received your written notice of termination and have had a reasonable opportunity to act upon it.

You are not permitted to alter or amend this agreement or any related document without our express written consent. Any attempt to do so will be void and unenforceable.

Notices

Unless otherwise required by applicable law, any notice or written communication given pursuant to this agreement may be sent to you electronically. We may, in our sole discretion, provide notice by email or by mail. You will be deemed to have received a notice no later than three (3) days after it is sent by us, whether sent by email or by mail.

Assignment

You may not assign this agreement. We may assign this agreement to an affiliate of the Credit Union or any successor in interest in the event of a merger, reorganization, change of control, acquisition, sale of all or substantially all assets of the business to which this agreement is related or similar occurrence without your prior written consent.

Waiver

We will not be deemed to have waived any of our rights or remedies under this agreement unless such waiver is in writing and signed by us. Any single or partial exercise of a right or remedy shall not preclude further exercise of that right or remedy or the exercise of any other right or remedy. No delay or omission on our part in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

Disclosure of Information to Others

See our separate Privacy Policy for more information about how we share your information and your option(s) to limit this sharing. Please contact us for a copy of our Privacy Policy or, to access it online, click the "Privacy Policy" link on our website www.abfcu.org

Additional Terms

The terms and conditions of this agreement supplement any other agreement(s) and/or disclosures related to your Membership and your account(s) with us, provided to you separately. In the event of

any conflict between such other agreement(s) and/or disclosures and this agreement, the terms of this agreement shall prevail with respect to the Service.

Please refer to the Membership Agreement, and our Online Banking Terms and Conditions for additional terms and conditions related to your account(s) and use of the website. If you receive electronic delivery of information related to your account(s), please also refer to the Consent to Electronic Records Disclosure and Agreement(s) for additional terms and conditions related to your account(s) and use of the website. Together these constitute the entire agreement between you and us with respect to the Service. You may contact us for a copy of these agreements and any other agreements applicable to your account(s), which may also be found at www.abfcu.org.

Choice of Law and Severability

This agreement is governed by the federal law of the United States of America and the internal law of the State of Arkansas. Should any court determine that any provision of this agreement is not valid or enforceable, such provision shall be modified, rewritten or interpreted to include as much of its nature and scope as will render it enforceable. A determination that any provision of this agreement is invalid or unenforceable shall not render any other provision of this agreement invalid or unenforceable.