

## **Suggested Best Practices**

### **Description:**

The remote deposit capture services ("Mobile Check Deposit" or "Services") are designed to allow you to make deposits to your checking account from your camera-enabled mobile device capable of capturing check images and information and electronically delivering the items and associated deposit information to the Bank or the Bank's designated processor. The device must capture an image of the front and back of each check to be deposited in accordance with the Procedures; must read and capture the magnetic ink character recognition ("MICR") line on each check; and must read and capture all such other data and information as is required by the Agreement or Federal Reserve regulations for the processing of these checks for payment. The Bank offers Mobile Check Deposit for our customers' benefit and convenience.

### **Hardware and Software Requirements:**

You must have a Mobile Device that is acceptable to us and a wireless plan from a compatible mobile wireless provider. You must also use the operating system(s) and software that satisfies all technical specifications and other requirements that we and/or our service provider(s) establish and specify. We and/or our service provider(s) may change these specifications and/or requirements from time to time. The bank is not responsible for any third-party software you may need to use the services. You agree that you will perform, or cause to be performed by properly trained personnel, all vendor recommended maintenance, repairs, upgrades and replacements. Unless otherwise provided in this Agreement, you are solely responsible, at your own expense, for purchasing, installing, operating, testing and maintaining all hardware and software necessary to use the service. You must install and test your mobile device and any other required hardware and software before you make your first deposit through the service. You accept any such software "as is" and subject to the terms and conditions of the software agreement that you enter into directly with the third-party software provider at the time of download and installation. We are not responsible for, and you release us from, any and all claims or damages resulting from, or related to, any malware infection or related problems that may be associated with using the service, e-mail or the internet. You agree that all images and files transmitted to us through the service will not contain malware or any other disabling features that may have an adverse impact on our network, data, or related systems.

### **Receipt of Items:**

We reserve the right to reject any item transmitted through the services, at our discretion, without liability to you. We are not responsible for items we do not receive or for images that are dropped during transmission. An image of an item shall be deemed received when you receive a confirmation from bank name that we have received the image. Receipt of such confirmation does not mean that the transmission was error free or complete.

### **Deposit Limits:**

The Bank reserves the right to establish and assign to you deposit limits for the service (including limits on the dollar amount and/or number of checks that you may transmit through the service each day) and to modify such limits from time to time at the bank's sole discretion, and you agree to comply with all such limits.

### **Endorsements and Procedures:**

You agree to restrictively endorse any item transmitted through the Services as "For mobile deposit only to Home State Bank" or as otherwise instructed by Home State Bank. You agree to follow any and all other procedures and instructions for use of the Services that the Bank may establish from time to time. Endorsements must be made on the back of the share draft or check within 1½ inches from the top edge, although we may accept endorsements outside this space. Any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you will be your responsibility. For a check payable to you and any joint owner(s) of your bank

account, the check must be endorsed by all such payees and you may only use Mobile Check Deposit to deposit such check into a bank account jointly owned by all such 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 any non-joint owner, you may not deposit the check into your bank account using mobile check deposit. You agree never to represent any item deposited through the services. You will promptly provide any retained item, or a sufficient copy of the front and back of the item, to Home State Bank as requested to aid in the clearing and collection process, to resolve claims by third parties with respect to any item, or any and all other reasons as needed.

### **Check Requirements (Including Image Quality):**

The image of an item transmitted to the Bank using the Services must be legible and contain images of the front and back of the Check. The image quality of the items must comply with the requirements established from time to time by the American National Standards Institute ("ANSI"), the Board of Governors of the Federal Reserve Board, or any other regulatory agency, clearing house or association. These requirements include, but are not limited to, ensuring the following information can clearly be read and understood by sight review of the Check image: the amount of the check (both written and numeric); the payee; the signature of the drawer (maker); the date; the check number; the information identifying the drawer and the paying financial institution that is preprinted on the check including the MICR line; and all other information placed on the check prior to the time that 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).

### **Storage, Security, and Destruction/Disposal of Checks:**

After you receive confirmation that we have received an image, you must securely store the original Check for 60 days after transmission to us and make the original check accessible to us at our request. Upon our request, you will deliver to us within two business days, at your expense, the requested original check in your possession. If not provided in a timely manner, such amount may be reversed from your account. Promptly after the 60-day retention period expires, you must destroy the original check by first marking it "VOID" and then destroying it by cross-cut shredding or another commercially acceptable means of destruction. After destruction of the original check, the image will be the sole evidence of the original check. You agree that you will never re-present the original check. You understand that you are responsible if anyone is asked to make a payment based on an original check that has already been paid.

### **Presenting Checks More than Once:**

By using the service to capture a check image or images for deposit, you agree that at no point prior have you attempted to deposit the check(s) through any means. Once you have used the service to deposit a check you agree not to present, or allow anyone else to present, that original check or a substitute check of that original check again for deposit through the service or by any other means. If you or anyone else present a check or substitute check for deposit more than once, in violation of this Agreement, you agree to indemnify, defend and hold the bank harmless from and against all liability and damages that may result from any claims, suits or demands from third parties with respect to such check or substitute check. You agree that we may debit from your bank account the aggregate amount of any Checks that that are deposited more than once. To the extent that funds in your account are insufficient to cover such amount, we shall debit the deficiency amount from any other of your account(s) with the bank at our sole discretion.

### **Your Authentication Method:**

You agree that we are entitled to act upon instructions we receive with respect to the service under your user ID, password, test key, or other code or authentication method that we require or may be available to you through your device (these components are referred to herein collectively as your "Authentication Method"). You are liable for all transactions made or authorized with the use of your Authentication Method. We have no responsibility for establishing the identity of any person who uses your Authentication Method. You agree to safeguard your Authentication Method and keep all aspects of it confidential. You agree that if you give any component of your Authentication Method to anyone or fail to safeguard its secrecy, you will be in violation of your obligations under your bank account Agreement and this Agreement. You agree to indemnify and release us from any and all liability, and agree not to make any claim or bring any action against us, relating to our honoring or allowing any actions or transactions that are conducted under your Authentication Method or acting upon instructions, messages or

authorizations provided to us using your Authentication Method. By accessing the service with your Authentication Method, you authorize us to complete the requested transaction(s) through the service. Any requests or instructions we receive from you through the service using your Authentication Method shall be considered "in writing" under all applicable law and shall have the same force and legal effect as an instruction signed by you. This includes, but is not limited to, inquiries, deposit transactions, checks deposited, check images, changes to accounts or services or any other communication you provide us through the service using your Authentication Method.

### **Rejection of Deposits:**

After we receive Check images and all other required deposit information from you through the service, we shall provisionally credit your designated account for the total amount of such checks. The provisional credit is subject to final payment of the checks and is also subject to your bank account agreement. You agree that all deposits received by us are subject to verification and final inspection and may be rejected by us at our sole discretion, and you shall be liable to the bank for any errors, inaccuracies, breach of warranties, and any other loss sustained by, or claim made against the bank relating to such deposits. The bank is not liable for any service or late charges that may be imposed against you due to the bank's rejection of any check that you transmit for deposit through the service. In all cases, you are responsible for any loss or overdraft plus any applicable fees to your account due to a check being returned. You acknowledge and agree that, while we normally provide notice of rejected deposits, we may reject any check transmitted through the service at our sole discretion without notice to you, and we will not be liable for any such rejection or failure to notify you of such rejection. If we reject a check for remote deposit, you must physically deposit the original check.

### **Unpaid Checks:**

Should you fail to produce the original check, you authorize us to deduct that amount from your account. You are solely responsible for verifying that checks that you deposit by using the service have been received and accepted for deposit by the bank. The bank may, but is not required to, provide you with notice of any deposits that it is unable to process because the check(s) were returned unpaid by the payors financial institution. You agree to accept such notices at your e-mail address on file with us, but we may choose any reasonable method for providing such notices to you. In the event that the bank credits your account for a check that is subsequently dishonored and returned, you authorize the bank to debit the amount of such check plus any associated fees from the account. To the extent that funds in your account are insufficient to cover such amount, we shall debit the deficiency amount from any of your other account(s) with the bank at our sole discretion. Our right to charge your account(s) will apply without regard to whether the check was timely returned or whether there is any other claim or defense that the check was improperly returned. You understand and agree that since the original check is your property, it will not be returned and the bank may charge back an image of the check, an ACH debit, or other electronic or paper debit, as applicable, to your account. You further agree that any image that we charge back may be in the form of an electronic or paper reproduction of the original check or a substitute check. You may not use the service to deposit a substitute check and you may not deposit the original check through the service or in any other manner if you receive a dishonored check. You agree to comply with any additional instructions we may provide to you in connection with returned checks.

### **Duty to Report Errors:**

The Bank will provide you with periodic statements that will identify the deposits that you make through the Service. In addition, you may access the Bank's Online Banking service for information about your deposits, return items, deposit adjustments, Checks and other transactions on your accounts. You agree that it is your responsibility to review all such information that the Bank makes available to you in a timely manner to verify that deposits made through the Service have been received and accepted by the Bank and are accurate. Receipt of a

check by the bank through the Service does not constitute an acknowledgement by the bank that the check is error-free or that we will be liable for the check. You agree to notify us promptly of any errors, omissions, or discrepancies in a deposit within the time periods established in your bank account Agreement. You may notify us by e-mailing us at support@homestbk.com, or writing to Home State Bank NA, 40 Grant Street, Crystal Lake IL 60014 or contacting us by phone at 815-459-2000. You agree to cooperate in any investigation by the bank of any unsuccessful or lost transmission. Subject to applicable law, any failure by you to notify the bank of any error, omission or other discrepancy in accordance with this Agreement and your bank account Agreement shall relieve the bank of any liability for such error, omission or discrepancy.

### **Availability of Service/Contingency:**

In the event you are unable to capture, balance, process, produce or transmit a file to the bank, or otherwise comply with the terms or the procedures for any reason, including but not limited to, communications, equipment or software outages, interruptions or failures, you will transport or mail the originals of all checks to the closest bank location. The deposit of original checks at an office of the bank shall be governed by the terms and conditions of the Deposit Account Agreement and not by the terms of this Agreement. Home State Bank NA will not be responsible for any damages or other losses to you due to the service being unavailable.

### **Data Security:**

You will complete each deposit promptly. If you are unable to complete your deposit promptly, you will ensure that your mobile device remains securely in your possession until the deposit has been completed. It is your responsibility to establish and maintain procedures to safeguard against unauthorized deposits. You will notify us immediately by telephone at 815-489-2000 and with written notice at Home State Bank NA Attn: Mobile Check Deposit, 40 Grant Street, Crystal Lake IL 60014 if you learn of any loss or theft of original checks. You will ensure the safety and integrity of original checks from the time of receipt until the time of destruction. If warranted in our reasonable judgment, we may audit and monitor you, and you agree to cooperate with us to permit such monitoring, to confirm that you have satisfied your obligations under this Agreement.

### **Cooperation with Investigations:**

You agree to cooperate with us in the investigation of unusual transactions, poor quality transmissions, and resolution of customer claims, including by providing, upon request and without further cost, any originals or copies of items deposited through the service in your possession and your records relating to such items and transmissions.

### **Availability of Funds**

In general, if an image of an item you transmit through the service is received and accepted before 5:00 p.m. CST on a business day that we are open, we will consider that day to be the day of your deposit. Otherwise, we will consider that the deposit was made on the next business day we are open. Funds deposited using the Services will generally be made available on the first business day after the day of deposit. The term "Business Day" means any day other than a Saturday, Sunday or federally declared legal holiday. Home State Bank NA reserves the right to place a hold on any and all funds from checks deposited through mobile check deposit at our discretion.