The Check 21 Act and float time.

The electronic processing means less "float time" - the time between writing and cashing of a check.

What if both the original check and it's substitute are processed?

In order to process a substitute check, a financial institution must warrant the fact that the original check will not be processed. If in the event both the original and the substitute are processed, the checks drafter will be able to submit a claim.

What if the substitute check is not an accurate sample of the check that was written and I want the original to prove a claim?

The Check 21 Act provides you, the consumer, with rights. If you believe the substitute check is not accurate, contact us immediately. You may be asked to submit your claim in writing. After receiving your claim and investigating the matter, we will inform you of our findings and if warranted, we will credit your account.

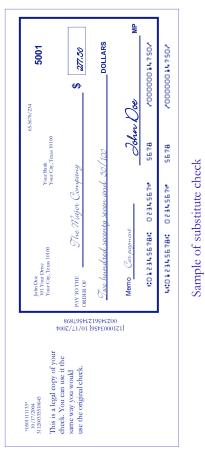


Efficient Check Clearing Benefits You

Just a few of the benefits include:

- √ Faster check clearing
- ✓ Decreased Fraud
- ✓ Less Paper
- ✓ Increased security

Improvements brought about with Check 21 allow for faster payment processing and even better service to you the customer.



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The Check 21 Act What about My Checks?

The Check 21 Act

The Check 21 Act is legislation that goes into effect October 28, 2004. This act will permit the processing of a check by means of a "substitute check", a paper reproduction of both sides of the original document. This substitute check will be a copy, front and back and will bear the legend: This is a legal copy of your check. You can use it the same way you would use the original check." The first thing that is done to create a substitute check is to scan the original check to make an electronic image of the check. When the electronic image is created, the original check can be taken out of circulation, "truncated." The entity or person that makes the electronic image of the check is then responsible for the storage of the original document or destroying the document. With the electronic image, they can then produce an image or copy of the substitute check at any time.

What is the difference in an electronic check and a substitute check?

An electronic funds transfer is initiated by a check. With an electronic check, the transaction is routed through the Automated Clearing House (ACH) network. Example: a retailer takes your check, scans it for the encoded information, and gets your authorization prior to initiating the transfer. When you authorize payment, the original check is stamped "VOID" and returned to you. This transaction will appear on your account statement with the other electronic transactions. On the other hand, a substitute check, is a replacement which is the legal equivalent of the original check. It is created from an electronic image from the original, processed like a check, and will appear as a check on your account statement.

Dispute from retailers or providers about a substitute check as proof of payment.

The substitute check is the legal copy of the original. Service providers, retailers, and the courts are required by law to accept substitute checks as proof of payment, the same as they would the original document.

What will I get in my bank statement?

The checks you write will not all be scanned and changed to a substitute check. If a substitute check is created, it is very likely that you will not see the original check again. If you receive you checks back in your account statement, you may start to see a combination of substitute checks and originals in that account statement. If you do not get your checks back in your statement, there should be no affect in the process - the checks will continue to be listed in the same manner on your statement.

How will fraudulent checks and stolen identity be affected by the Check 21 Act?

Relying on scanned copies instead of the original checks should make it much harder for identity theft to occur. The removal of the original check from the process, greatly reduces the human contact with your financial information. The shorter the processing time for the check, should reduce the ability of someone using your account to commit check fraud. This shorter processing time will also increase the likelihood of catching the fraud.

What is the need for substitute checks?

There are a number of good reasons to create substitute checks. Currently, the system physically transports the paper check from one location to another for processing. If there is bad weather, the system can bog down. In addition to the time this takes, it costs millions of dollars each year to haul and process paper checks. As a result of authorizing a substitute check, the Check 21 Act will foster the electronic processing of checks because the substitute check process begins by creating an electronic image of the check. By creating this electronic check image, it can be conveyed electronically, reducing processing and transportation costs. This will reduce the possibility of items being lost or destroyed in transit. If a copy of a check is needed the electronic image is used to make a paper copy (a substitute check, if you will) anytime during the process.