

Substitute Checks

Policy Disclosure

Important information about your checking account.

Substitute Checks and Your Rights.

Some or all of the checks 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 laws with respect to those transactions

Q. What is a substitute check?

TO MAKE CHECK PROCESSING FASTER, FEDERAL LAW PERMITS BANKS TO REPLACE ORIGINAL CHECKS WITH "SUBSTITUE CHECKS". The 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.

This is an example of a substitute check shown at 80% of its actual size

The image shows a substitute check from 'Your Bank' for \$295.45, dated Jan 1, 2002, payable to 'NORTH POLE, INC.'. The check includes a memo 'Goodies' and a signature 'James C. Morrison'. It features a background image of a polar bear. To the left of the check, there is a vertical MICR line and a MICR line at the bottom. Three callout boxes provide additional information:

- Top Callout:** This legal notice appears on all substitute checks. (Points to the text: *011500120* 01/04/2002 8587408979 This is a LEGAL COPY of your check. You can use it the same way you would use the original check.)
- Middle Callout:** These numbers identify bank & check handling information. (Points to the MICR line: @053000183 01/03/2002 1800539446)
- Bottom Callout:** Substitute checks include the actual images of the front and back of your original check. (Points to the background image of the polar bear on the check.)

Check details visible in the image:
011500120
01/04/2002
8587408979
This is a LEGAL COPY of your check. You can use it the same way you would use the original check.
@053000183 01/03/2002 1800539446
JAMES C MORRISON
MARY B MORRISON
1765 SHERIDAN DRIVE
YOUR CITY, STATE 04001
DATE Jan 1, 2002 00-6789/0000 008902
145
PAY TO the order of NORTH POLE, INC. \$ 295.45
Two Hundred Ninety Five and 45/100 DOLLARS
Your Bank
YOUR CITY, STATE 12345
MEMO Goodies
James C. Morrison
@000067894 @ 2345678 0145 .0000029545
@000067894 @ 2345678 0145 .0000029545

Q. 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 interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other laws.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) no later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate the substitute check was correctly posted to your account.

Q. How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that we received and that was posted to your account, please contact us. Our address and phone are listed at the end of this policy. You must contact us with 40 calendar days of the date 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 unable 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: the check number, the name of the person to whom you wrote the check, and the amount of the check.

To claim a loss involving a substitute check, please contact us at one of the number(s) or address(s) listed below:

www.perufederalsavings.com

Email: admin@perufederalsavings.com

Downtown Office
1730 Fourth Street
Peru IL 61354
Phone: 815-223-4300
Fax: 815-223-3909

Uptown Office
914 Shooting Park Road
Peru, IL 61354
Phone: 815-224-2213
Fax: 815-224-7621