

## CHECK 21 DISCLOSURE NOTICE

### Substitute Checks & Your Rights Important Information About Your Checking Account

#### 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.

This notice describes rights you have when you receive substitute checks from the credit union. 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.

#### 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 incorrect 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 The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, returned check fees for insufficient or uncollected funds).

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 are also entitled to interest on the amount of your refund if your account is an interestbearing 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 \$2,500.00 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) not later than 45 calendar days after we have received your dispute.

We may reverse the refund (including any interest 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:

State Employees Credit Union of NM  
ATTN: Accounting Dept.  
813 St. Michael's Dr.  
Santa Fe, NM 87505  
Or Fax# (505) 954-3443

You must contact us within 40 calendar days of the date that we mailed 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 think the charge to your account was incorrect (for example, you think the amount withdrawn was incorrect);
- An estimate how much money you have lost because of the substitute check charge;
- An explanation of why the substitute check is not sufficient to show whether or not the charge to your account was correct; and
- Provide us with a copy of the substitute check (and/or) the following information that will help us to identify the substitute check and investigate your claim (for example, the check number, the name of the person to whom you wrote the check, and the amount of the check).