

## BLOOMFIELD STATE BANK

### Check 21 Consumer Awareness Disclosure

There is an important new law that takes effect October 28, 2004 called Check 21, purpose of which is to improve the overall efficiency of the nation's payment system. Essentially the law authorizes the use of a new negotiable paper document called a substitute check, which must be accepted in the same manner as an original check. The substitute check will eliminate many of the legal hurdles that were in place preventing financial institutions from creating and processing electronic images of your checks. Processing electronic images instead of paper checks will help decrease the time and costs associated with check processing.

What does this mean to you? When you receive your monthly statement from us, you may see checks that look like the check you have written but will have additional information attached to the left side of the check. This information states the routing number of the bank where the check was cashed, the date it was cashed and associated tracking numbers. A sample of a substitute check is below:



**Front view of a substitute check**



**Back view of a substitute check**

The improvements brought about through Check 21 allow for faster payment processing and even better service to you, the banking customer. A few of the benefits include: faster check clearing, decreased fraud, less paper, and increased security.

This law also establishes new rights for you related to any incurred damages caused by receiving a substitute check instead of an original check. There is little chance of any errors related to this new change however, should a problem occur, you have rights as a Bloomfield State Bank checking customer. On the back of this notice you will find additional information to file a claim should your account be affected.

If you have any questions, please contact Bloomfield State Bank at:

800-319-6110 or 812-384-4431  
Bank Services Department  
PO Box 407  
Bloomfield, IN 47424

We appreciate your business and thank you for being a Bloomfield State Bank customer.

# *BLOOMFIELD STATE BANK*

## **Check 21 Consumer Awareness Disclosure**

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### **Important Information About Your Checking Account**

#### ***Substitute Checks and Your Rights***

##### **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.

Some or all of the checks that 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 law 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 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 law.

If you use this procedure, you may receive up to the amount of the substitute check or \$2500.00, whichever is less (plus interest if your account earns interest) by the tenth business day after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than the 45th calendar day after we received your claim. 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 the Main Office of Bloomfield State Bank, 48 N. Washington St, Bloomfield, IN 47424, 800/319-6110 or [bankservices@bloombank.com](mailto:bankservices@bloombank.com). 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 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, or the following information to help us identify the substitute check: the check number, the date of the check, the amount of the check and the name of the payee to whom you wrote the check.