

## Disputing a Substitute Check

Federal law gives you the right to file a claim for an expedited refund if you receive a substitute check and believe that all of the statements below are true:

1. The substitute check was incorrectly charged to your account (for example, this may be true if we charged your account for the wrong amount or if we charged your account more than once for the same check);
2. You lost money as a result of the substitute check charge to your account and;
3. You need the original check or a better copy of the original check to demonstrate that we incorrectly charged your account (for example, this may be true if you think that we charged your account for the wrong amount and the substitute check does not clearly show the amount).

### 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 The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).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 are also 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 \$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 the 45<sup>th</sup> 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.

### Expedited Refunds

To obtain an expedited refund, you must send us a claim in writing. If you claim if made verbally, you will be notified that you must also submit your claim in writing. Federal law limits an expedited refund to the amount of your loss, up to the amount of the substitute check, plus interest if your account earns interest. You should be aware that you could be entitled to additional amounts under state or federal law.

### How to Make a Claim for an Expedited Refund

Please make your claim by writing to us at Millbury National Bank, Operations Department, 18 Main Street, Millbury, Massachusetts 01527. You must make your claim within 40 calendar days of the later of these dates: (1) The date that we delivered the account statement showing the charge that you are disputing, or (2) The date on which we made the

substitute check available to you. If there is good reason (such as a long trip or a hospital stay) that you cannot make your claim by the required day, we will give you additional time.

Your expedited refund claim must (1) describe why you think the charge to your account was incorrect; (2) Estimate how much money you have lost because of the substitute check charge; (3) Explain why the substitute check is not sufficient to show whether or not the charge to your account was correct; and (4) Provide us with a copy of the substitute check or give us 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). If your claim is incomplete, you will be notified of what information is required to complete the investigation.

### **Our Responsibilities for Handling Your Claim**

We will investigate your claim properly. If we conclude that we incorrectly charged your account, we will refund to your account the amount of your claim (up to the amount of the substitute check, plus interest if your account earns interest) within one business day of making that decision. If we conclude that we correctly charged your account, we will send you a notice that explains the reason for our decision and include wither the original check or a better copy of the original check than the one you already received. If we have not made a decision on your claim within 10 business days after you submitted it, we will refund the amount we owe to your account, up to \$2,500, plus interest, by that date. We will refund the remaining amount, if any, plus interest, to your account by the 45th day after you submitted your claim. If we refund your account, on the next business day we will send you a notice that tells you the amount of your refund and the date on which you may withdraw that amount. Normally, you may withdraw your refund on the business day after we make it. In limited cases, we may delay your ability to withdraw up to the first \$2,500 of the refund until the earlier of those two dates: (1) the day after we determine that your claim is valid; (2) the 45th calendar day after the day you submitted your claim. New accounts may be subject to delayed availability of provisional credit.

### **Reversal of Refund**

We may reverse any refund, including interest that we have given you if we later determine that the substitute check was correctly charged to your account. Within one business day after we reverse a refund, we will send you the original check or a better copy of the original check than the one you previously received explaining to you why the substitute check was correctly charged to your account and tell you the amount and date of the reversal.