

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 The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).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 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 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:

(425) 257-9000
Coastal Community Bank
P.O. Box 12220
Everett, WA 98206

You must contact us within 40 calendar days of the date that 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 not able 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 or the following information to help us identify the substitute check: Ck number, payee and amount of the check. An expedited recredit claim must be submitted in writing. When a claim has been submitted orally, we must receive the written claim within 10 Business Days of the oral claim.



Customerservice@coastalbank.com

www.coastalbank.com

PO Box 12220,
Everett, WA 98203

DEPOSIT RECONCILIATION

It is Coastal Community Bank's policy to investigate and resolve any deposit discrepancies in the amount of \$1.01 and over. Any errors in calculation will result in a debit or credit to the customer, as applicable.

Discrepancies in the amount of \$1.00 or under will not be investigated, and the customer's listed deposit amount will stand. Exceptions to this rule occur if the difference involves a cash discrepancy, at which time the deposit will be flagged for follow-up by the bank for the following business day.

DEPOSIT RECLASSIFICATION

We may perform a periodic reclassification of the funds in your account for purposes of Regulation D. We will periodically allocate funds between two different subaccounts. This change will not affect your bank statement, balance, interest, FDIC insurance or any other features.

MERCHANT HOLDS

Debit card holds generally occur when a merchant requests a hold against your Available Balance to ensure the funds are available for the transaction. If an actual purchase is made, the merchant will send the transaction to the bank, and the debit will post to the Ledger Balance for the correct amount provided funds are available at that time. Debit card holds are typically used for purchases of gas, rental cars, and hotel expenses among others. Be sure to ask your merchant if they will place a hold on your debit card.

When Coastal Community Bank assesses overdraft fees, they are on the Ledger Balance in your account, not the Available Balance.
