Sample REmote Deposit Capture (RDC) Indemnity claim Letter

fOR USE in RegULATION CC RDC Indemnity CLAIMS

**A Paper Deposit Bank may use this letter to make an RDC indemnity claim if the following conditions are met in accordance with Regulation CC (12 CFR 229.34(f)):**

* Paper Deposit bank has experienced a loss due to the check having already been paid.
* Paper Deposit bank received deposit of the paper “original check.” Paper Deposit bank must have actually received the paper “original check” for deposit. Paper Deposit bank does not meet the conditions for making an RDC indemnity claim if its customer or another party has the paper check. According to Regulation CC 229.2(ww), “*Original check* means the first paper check issued with respect to a particular payment transaction.”
* If there is a restrictive indorsement on the paper check, then the indorsement must be consistent with paper deposit at the Paper Deposit bank. Reg CC refers to, but does not define, an inconsistent restrictive indorsement. However, it does provide this example of an inconsistent restrictive indorsement within the commentary: “For mobile deposit at Depositary Bank A only.” Other restrictive indorsements that reference RDC also may preclude the Paper Deposit bank from making an RDC indemnity claim under Reg CC.
* Additional conditions for the RDC indemnity include: RDC Bank allowed customer to truncate the check, did not receive the original check, received settlement/consideration for the check and has not received return of check. (See 12 CFR 229.34(f)(1)).

**Instructions for Use of this Letter:**

* This letter should not be used for any other matter except by Paper Deposit bank to make an RDC indemnity claim to the RDC bank. The information contained in this letter and the copy of the check is to be used for the purpose of handling this RDC indemnity claim.
* This letter, including the indemnity claim process and the use of confidential customer information in this letter, should be reviewed by Paper Deposit bank’s legal counsel prior to use.
* Use of this letter is voluntary and is for RDC indemnity claims made within an automated interbank check image adjustment system or service, or for manual claims between banks.
	+ For manual claims, complete appropriate fields on the form and send accordingly. *(This form was created by ECCHO for the industry and may be used for completing manual RDC indemnity claims regardless of whether the exchange was under ECCHO Rules or OC3—subject to review by your bank’s legal counsel).*
	+ For claims made via automated adjustment system/service:
		- For ECCHO exchanges: complete appropriate fields and attach this form to the ECCHO WIC adjustment type. Please see ECCHO Rules Exhibit I: Adjustment Matrix for additional information on the WIC adjustment. Some fields may not be required for automated adjustment claims (e.g., recipient department name, request for response, settlement instructions, mailing address)
		- For Federal Reserve OC3 exchanges: *This form is* ***not suitable*** *for Warranty/Indemnity Claim (WIC) Associated with Remote Deposit Capture (RDC) Items under OC3.* See [link](https://www.frbservices.org/resources/financial-services/check/reference-guide/forward-return-types/rdc.html) for information on processing under OC3.
	+ Complete the indemnity claim letter as appropriate:
		- Date
		- Appropriate recipient/department within the RDC bank
		- Bank to which the claim is being made/RDC bank
		- Bank that is making the claim/Paper Deposit bank
		- Paper Deposit bank’s case/reference number for this claim
		- MICR code line from the check
		- Information that the RDC bank can use to identify the check within its system: RDC ABA routing number, RDC bank sequence number and RDC bank endorsement date. (The Paper Deposit bank may have to communicate with the Paying Bank in order to ascertain this information).
		- Details from Paper Deposit bank’s presentment of the check from which Paper Deposit bank incurred a loss due to the check having already been paid: Paper Deposit bank routing number, cash letter date, cash letter total and sequence number.
		- Date the check was returned or adjusted to the Paper Deposit bank.
		- Amount of the claim
		- Settlement instructions
		- Contact information for Paper Deposit bank
		- Confirm representation statement at the bottom of the letter with a signature.
		- Include a front and back copy or image of the check.

Note: Not all information on this sample letter is required in order for Paper Deposit bank to make an RDC indemnity claim, but incomplete information may affect the processing of the claim.

Date: INSERT DATE **Attention**: INSERT APPROPRIATE RECIPIENT/DEPARTMENT

**Re: Remote Deposit Capture (RDC) Indemnity Claim**

**Claim made to: INSERT RDC BANK NAME**

**Claim made by: INSERT PAPER DEPOSIT BANK NAME**

**Our/Paper Deposit Bank Case/Reference Number:** INSERT NUMBER

This letter constitutes our claim to your bank arising from your bank’s obligation under the RDC indemnity in Regulation CC (229.34(f)). We believe your bank is the **RDC bank** that permitted its customer to truncate and deposit the check with your bank by means of remote deposit capture, and we are the Depositary bank (**Paper Deposit bank)** that accepted the paper check for deposit and incurred a loss due to the check having already been paid. This paper check does not contain a restrictive indorsement that is inconsistent with the deposit of the paper check at our bank.

1. DESCRIPTION OF THE PAPER CHECK RECEIVED BY PAPER DEPOSIT BANK UPON WHICH THIS RDC INDEMNITY CLAIM IS BASED:

|  |  |
| --- | --- |
| ***MICR Code Line from the Check:*** |  |
| External Processing Code: |  |
| ABA Routing Number: |  |
| Account Number: |  |
| Serial Number: |  |
| Amount: |  |

1. RDC BANK INFORMATION AND INFORMATION FOR CHECK IMAGE DEPOSITED AT RDC BANK:

|  |  |
| --- | --- |
| RDC Bank ABA Routing Number: |  |
| RDC Bank Sequence Number: |  |
| RDC Bank Endorsement Date: |  |

1. DETAILS OF PRESENTMENT BY PAPER DEPOSIT BANK:

|  |  |
| --- | --- |
| Paper Deposit Bank ABA Routing Number: |  |
| Cash Letter Date: |  |
| Cash Letter Total: |  |
| Paper Deposit Bank Sequence Number: |  |

1. DATE PAYING BANK DEBITED PAPER DEPOSIT BANK FOR CHECK:

|  |  |
| --- | --- |
| Date Paying Bank debited our Bank/Paper Deposit Bank for the check: (i.e., date returned or adjusted)  |  |

1. REQUEST FOR RESPONSE TO THIS INDEMNITY CLAIM:

We request that your bank evaluate this claim and respond within 20 business days from the date of receipt of this claim letter.

We ask you to provide us with either:

(A) payment in the amount of $INSERT AMOUNT according to settlement instructions below, **OR**

(B) a letter indicating why your bank refuses payment of this indemnity claim.

1. SETTLEMENT INSTRUCTIONS:

INSERT OR ATTACH SETTLEMENT INSTRUCTIONS

1. CONTACT INFORMATION:

If you have any questions concerning this matter, please contact:

INSERT CONTACT NAME

INSERT BANK NAME

INSERT PHONE NUMBER AND TIME ZONE, Monday through Friday & other info

INSERT EMAIL ADDRESS

Any written correspondence relating to this letter or the indemnity claim can be directed to:

INSERT CONTACT ADDRESS

**Enclosed is a copy of the front and back of the check that we accepted for paper deposit at our bank** *(required).*

*To our knowledge and belief, and consistent with our records, the information in this indemnity claim is accurate, and we received the original physical check for deposit, we suffered a loss due to the check having already been paid and the check did not have a restrictive indorsement inconsistent with paper check deposit.*

INSERT SIGNATURE

*Our bank reserves any rights or claims under law, regulation, bi-lateral agreement or clearing house rule which is applicable to the above referenced checks.*

*The information contained in this letter and the copy of the check is to be used for the purpose of handling this RDC indemnity claim.*