

August 31, 2017

Subject: Action required for uninterrupted deposit processing

Dear Customer:

According to our records, you have included remotely created checks (RCCs) with other checks your company has deposited at Wells Fargo. RCCs are checks that do not contain an account holder's signature. We discourage the use of RCCs due to their potential to be used fraudulently.

What you need to know

RCCs can be useful payment devices but are sometimes used fraudulently because they do not contain account holders' signatures or other identifiable evidence of authorization. To reduce risks associated with RCCs, we want to remind you of your responsibilities when depositing RCCs.

- Depositors must obtain proper account holder authorization before creating RCCs.
 - An RCC not properly authorized by the account holder may be returned as unauthorized. An unauthorized RCC may indicate intent to harm the account holder.
- Recent changes by the American National Standards Institute applicable to an RCC's External Processing Code (EPC) field on the MICR line help identify the item as an RCC by automated means.
 - The MICR line will remain the same with the addition of the EPC code and will not affect payment processing.

What you need to do

- Obtain and retain, in written or audio form, an express authorization from an account holder for each RCC your company deposits. The authorization **must**:
 - Include the payee name and amount that appears on the RCC.
 - Be retained for as long as your organization initiates RCCs on behalf of an account holder.
 - Be supplied to Wells Fargo within 10 calendar days upon request.
- Identify each RCC you deposit by placing an EPC code of "6" (omit quotation marks) before the first transit symbol, in position 44 on the MICR line.
 - Please ensure that you **do not** add the EPC code on any checks you issue from your Wells Fargo deposit account.
- Agree to operate in accordance with applicable laws and regulations regarding remotely created checks, including but not limited to, Regulation CC and applicable warranties, Uniform Commercial Code and applicable warranties, the Bank Secrecy Act, USA Patriot Act and the Federal Trade Commission Telemarketing Rules.

(Over, please)

