

SAMPLE LETTER FOR RULE 9

[NOTE: This letter should be reviewed by Member's legal counsel prior to use. Do not use this letter for items exchange through the Federal Reserve Banks. Before using this letter to make a claim, you should confirm that the BOFD has not opted out of Rule 9 coverage and that the item was exchanged under the ECCHO Rules by the BOFD.]

Date: _____

Attention: Incoming Domestic Returns or Collections Department

Re: Breach of Warranty Claim -- Forged Maker or Counterfeit Check (a "Rule 9 Claim")

Our Reference Number: _____

Dear Sir/Madam:

This letter constitutes our claim to your institution arising from your institution's breach of warranty under ECCHO Rule XIX(O) (also known as a "Rule 9" claim) with respect to the enclosed item that was presented to us as an image in an exchange governed by the ECCHO Rules. ECCHO Rules permit us to make this warranty claim to the depository bank by delivering the claim to the location for returns of the depository bank.

We were the paying bank with respect to this item and your bank is the depository bank with regard to this item. ECCHO Rule XIX(O) provides a warranty given by every bank that transfers or presents an item that:

- the signature of the purported drawer of the Related Physical Check is not forged or otherwise unauthorized, and/or
- the Related Physical Check is not counterfeit.

Pursuant to this Rule, we are enclosing with this letter:

(a) a copy of the item, and

[(b) a statement of report fraud/unauthorized item from our customer.] [OPTIONAL AT TIME OF CLAIM]

We make demand on your institution for the face amount of the item, in accordance with the procedures and requirements of ECCHO Rule XIX(O). Within 15 days of the date of the receipt of this letter, please provide your institution's response to this warranty claim, in accordance with Rule XIX(O).

If the warranty claim is accepted, payment for the claim can be made in accordance with the following settlement instructions:

[INSERT SETTLEMENT INSTRUCTIONS HERE]

We reserve any rights that may be available to us with respect to the item under applicable law or rule. Please note that a warranty claim under this Rule is not subject to the defense of a late return under the UCC midnight deadline.

If you have any questions concerning this matter, please contact _____ at ###-###-####, extension ####, during the hours of _____ (Monday through Friday).

Any written correspondence relating to this letter or the warranty claim, including a notice of acceptance or rejection of the warranty claim, can be directed to the following contact person:

[INSERT CONTACT INFORMATION HERE]

Email address: _____

Sincerely:

Enclosures