

## OPERATING RULES

### XIX. ELECTRONIC IMAGE (CONTINUED)

#### C. Items Eligible for Imaging.

- (1) Images Eligible for Exchange. An Electronic Image is eligible for exchange under this Section XIX if the Electronic Image is an image of an item and:
- (a.i.) the item is defined as a “check” under Section 229.2(k) of Regulation CC;
  - (b.i.) the item is a Fully Qualified Item; and
  - (c.i.) the Sending Bank and the Receiving Bank have entered into an agreement and the item is eligible for imaging under that agreement.

*With respect to the requirement in Section XIX(C)(1)(b.i.), a Sending Bank and a Receiving Bank may under their image exchange agreement permit the exchange of images of items that are not Fully Qualified or to otherwise include only As-Read MICR or RNA Partial MICR information in the related Presentment Notices for such images of items.*

*An image of an item in a carrier is eligible for exchange under these Rules if the item otherwise meets the requirements of this Section XIX(C)(1), the front and back of the item is visible through the carrier, and carrier qualifies for handling by automated check processing equipment. If the carrier is encoded, the carrier, and not the item, must be encoded in compliance with the ECCHO Rules.*

#### *The Sending Bank*

- (a.ii.) *shall include in the electronic MICR line information in the related Presentment Notice all MICR line information from the Fully Qualified item,*
- (b.ii.) *shall use acceptable industry practices to interrogate all fields of the MICR line of the Related Physical Check or the Electronic Image, and*
- (c.ii.) *shall not include in the electronic MICR line information in the related Presentment Notice any other character (numeric or otherwise) not contained in the MICR line of the Related Physical Check.*

*If any character anywhere in the MICR line of an item is unreadable, i.e., the Sending Bank's capture system discerns the presence of a character but cannot interpret it, the item shall not be considered Fully Qualified for purposes of Section XIX(C)(1)(b.i.).*

- (2) Blank or Replacement Image of Related Physical Items. This paragraph applies in the situation that a Sending Bank sends an image to a Receiving Bank which is either a blank image or an image of a document that not a “check” under Section 229.2(k) of Regulation CC (for example, a “sorry document” that replaces the image of the Related Physical Check). In this situation, the image sent by the Sending Bank shall be deemed to be an Electronic Image for purposes of the following Rules: Section XIX(H) (Presentment), Section XIX(L) (Sending Bank Warranties and Indemnification), Section XIX(N) (Remotely Created Check Warranty),