

# The Check Clearing

For The 21st Century Act, known as "Check 21" is new banking legislation that was signed into law by President Bush on October 28, 2003. Effective October 28, 2004, banks and other financial institutions, including Banco de Crédito del Peru, will have the option of creating, processing, and exchanging digital images of checks rather than moving the original paper. The main goal of the Check 21 legislation is to improve the overall efficiency and security of the nation's payment system. Check 21 includes several safeguards for check writing consumers. Check 21 helps speed check clearing, so check fraud can be discovered faster. Banks must warrant that substitute checks are accurate and that they are produced in accordance with industry standards for quality.

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.

## Substitute Check

To make check processing faster, federal law permits banks to replace original checks with a "Substitute

Check" also known as an "Image Replacement Document" (IRD). The substitute check is a replica of the original check you wrote. The replica contains the image of the front and back of your original check, all the endorsements, and most importantly, a legend that states "this is a legal copy of your check and you can use it the same way you would use the original check." Beginning October 28, 2004, if you currently receive cancelled checks, at least some of the checks you receive may be substitute checks that you can use as proof of payment like the original check.

## What Does This Mean To Me?

When you write a check, the bank that deposits your check or another institution in the payment process, may choose to truncate it. Truncating means that an image is taken of the front and back and the original is destroyed. The image of the check, along with the information encoded at the bottom of your check, is sent for clearing.

## Can I Get My Original Check Back?

If the depositing bank or another institution in the payment process elects to truncate your check, you will not be able to get an original back, even if requested. However, the substitute check is the legal equivalent of the original and can be used the same way you would use the original.

## Can I Opt Out?

No, neither consumers nor financial institutions are allowed to opt out of the legislation. Consumers and banks will be required to accept substitute checks in lieu of the original.

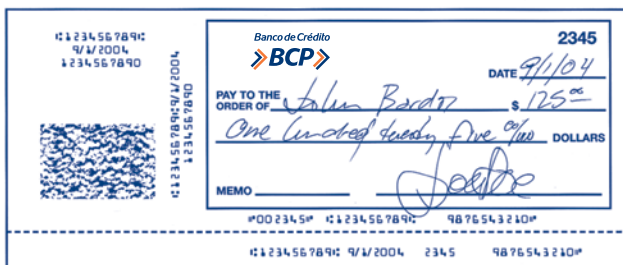
## Can I Continue Writing Checks As I Do Today?

Yes, you may continue banking and writing checks as you do today. After Check 21 becomes effective, it will take less time for a check to clear your account. As always, you should have sufficient funds in your account prior to writing checks.

## What Happens If There Is An Error And How Do I File a Claim Regarding Substitute Checks?

You must contact us within 40 calendar days of the date that we mailed your statement (or otherwise delivered by a means to which you agreed) to notify us of a claim. If the bank cannot determine whether your claim is valid within 10 business days, the account will be re-credited up to \$2,500, while an investigation continues. If after 45 calendar days, the claim has not been resolved, the entire amount must be re-credited (plus any accrued interest, if applicable). We may reverse the refund if we later are able to demonstrate that the substitute check was correctly posted.

If you determine that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact immediately your customer relations representative by calling one of the numbers that can be found on the back page of this brochure, or send an e-mail to our customer relations department.



Your claim must include the following:

- A description of why you have suffered a loss;
- An estimate of the amount of the 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 and/or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, the amount of the check.

### Where Do I Go For More Information?

We're here to answer any questions you have about the new legislation and how it will change the way we process checks.



## What is Check 21?



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