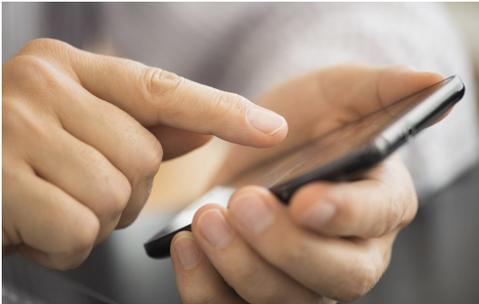


HOW TO MAKE A MOBILE DEPOSIT WITH YOUR SMARTPHONE

Innovative apps make it easy to complete a mobile check deposit, but you still have to follow the rules.



By: Maryalene LaPonsie - March 15, 2019

As money increasingly goes digital, with online-only banks and apps that allow money transfers in a few taps on a smartphone, customers have a new way of handling paper checks and making a mobile deposit. Instead of using an ATM or a bank teller for deposits, many institutions now allow people to upload an image of a check using a mobile app.

"I suspect the banks would rather you do it this way," says Scott Butler, financial planner with advisory firm Klauenberg Retirement Solutions in Laurel, Maryland. Mobile deposits are convenient for consumers and financial institutions alike. However, they only work if you follow your institution's policies.

While there are some exceptions, depending on your financial institution's policy, here's how to deposit a check by phone:

- Download your financial institution's app.
- Understand your bank or credit union's policies.
- Endorse the check properly.
- Take photos of the front and back of the check.
- Confirm transaction details and send to your financial institution.
- Hold onto the check for several days.
- Discard the check once it's cleared.

Read on for more detail on what's involved in each step to start depositing your checks by phone.

Download your financial institution's app. Mobile check deposits are typically handled through an app. If you haven't already downloaded your financial institution's app, you'll need to do that before moving on to the next steps. Download it using a link from your bank or credit union's website to ensure you have the official app and you're using the latest version.

Understand your bank or credit union's policies. To prevent fraud, most banks limit the amount you can deposit digitally. "It's not unusual for banks to have a limit of a few thousand dollars per day or per month," says Christopher Maher, chairman and CEO of OceanFirst Bank. These may range from \$500 to \$5,000 a day at

many institutions, though some, like OceanFirst Bank, have no limit.

Processing times also vary by institution. For example, OceanFirst Bank holds most mobile deposits for one or two days before releasing the funds. However, deposits of more than \$5,000 are held until the check clears, and customers receive a notification once the money is available.

Conversely, at Bryn Mawr Trust, there is a \$3,500 deposit limit per day, though customers can request that be increased. Funds deposited as late as 8 p.m. may be available the next day. "I think we're one of the few places that allow our business customers to use the application (as well)," says Lindsay Saling, retail strategy team lead for the bank Bryn Mawr Trust.

In the early days of mobile deposits, banks may have charged a fee for the service. However, it is now offered free of charge at most institutions.

Endorse the check properly. Once you've confirmed that your check falls within your institution's deposit limits, the next step is to endorse it.

Institutions may have different rules about how the endorsement is to be made. In many cases, certain verbiage is required, such as "for mobile deposit." Most institutions will also not accept a mobile deposit of a third-party check that has been signed over to you, Maher says.

Using the correct endorsement language is important to not only deposit the check, but also to minimize the chance of a duplicate deposit. For example, one spouse might deposit the check using the mobile app, and another spouse may try to take it to the bank, not realizing it has already been placed into the account. In this situation, the bank's system should flag the duplicate transaction.

"Most check printing companies now have a box to indicate it's a mobile deposit," Saling says. Using this feature is another way to ensure a check isn't taken to the branch after a mobile deposit.

Take photos of the front and back of the check. The

key to mobile deposits is taking clear photos. Customers can take photos within the app, which often provides a frame to line up the image. Some apps, such as the one offered by Bryn Mawr Trust, prompt customers to hover over the check while the app automatically captures the image. This feature eliminates the need to hold the phone steady while snapping a photo.

Keep in mind, making a remote mobile check deposit poses the same security and privacy risks as online banking, so you should use the same precautions you would employ for any other sensitive transaction. Don't use public Wi-Fi, and snap photos in a private location.

Confirm transaction details and send to your financial institution. Taking pictures is only one step in the mobile check deposit process. You'll also need to type in your deposit amount, confirm the details and send the transaction to your bank or credit union. "We do see customers who don't hit submit," Saling says.

Hold onto the check for several days. After the deposit is made, store the check in a safe location. "It's really important to keep the check for a few days," Maher says. If there is a problem with the transaction, the financial institution may need to see the paper check. Potential issues include blurry images and excess deposits.

"There's always the possibility that you enter the wrong number," Butler cautions.

Discard the check once it's cleared. Once the funds are available and the check has cleared, it can be disposed. "Ultimately, (people) should be using a shredder," Butler says.

Remote check deposit has already begun to transform the way banks and their customers interact. With a mobile banking app, consumers can check their balance, transfer money between accounts and remotely deposit checks.

While mobile banking offers added convenience and high-tech apps and tools, don't underestimate the benefits of brick-and-mortar bank branches for more complicated tasks, such as discussing options for a home equity loan or navigating tricky customer service issues.

Scott Butler, CRC, is a financial planner with Klauenberg Retirement Solutions. Using his background as a former teacher, Scott breaks down financial topics to levels that clients can more easily understand, believing each person should have a basic understanding of the wealth strategies and products that work for them.

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