Sample Letter for Section XIX(O)

*[NOTE: This letter should be reviewed by Member’s legal counsel prior to use. Before using this letter to make a claim, you should confirm that the BOFD is an ECCHO Member and has not opted out of Rule 9 coverage.]*

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 section XIX(O) of the ECCHO Rules (also known as a “Rule 9” claim) with respect to the enclosed item that was presented to us as an Electronic Check. ECCHO Rules permit us to make this warranty claim to the Depositary Bank by delivering the claim to the location for returns of the Depositary Bank.

We were the Paying Bank with respect to this item and your bank is the Depositary Bank with respect to this item. Under section XIX(O) of the ECCHO Rules, an ECCHO Member Depositary Bank (BOFD) warrants to an ECCHO Member Paying Bank with respect to an Electronic Check that:

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

Pursuant to section XIX(O) of the ECCHO Rules, 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 section XIX(O) of the ECCHO Rules. Within 15 Business Days of the date of the receipt of this letter, please provide your institution’s response to this warranty claim in accordance with section XIX(O) of the ECCHO Rules.

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 section XIX(O) of the ECCHO Rules 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