

Regulation E

Electronic Funds Transfer Agreement & Disclosure



Debit/ATM Card, Electronic Services

Electronic Funds Transfer (EFT) Agreement is the contract which covers your and our rights and responsibilities concerning the EFT services offered to you by LANCO Federal Credit Union. In this Agreement, the words “you” and “yours” mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words “Credit Union”, “we”, “us”, and “our” mean LANCO Federal Credit Union. The word “account” means any one or more savings and checking accounts you have with the Credit Union. The word “Card” means any debit card that you have with the Credit Union. EFTs are electronically initiated transfers of money from your account through the EFT services described below. By signing an application or account card for EFT services, signing your Card, or using any EFT service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered.

1. EFT Services.

If approved, you may conduct any one or more of the EFT services offered by the Credit Union.

a. Debit/ATM Card. If approved, you may use your Card and Personal Identification Number (PIN) in Automated Teller Machines (ATMs) of the Credit Union, STAR, and such other machines or facilities as the Credit Union may designate. You agree that you will not use your Card for any transaction that is illegal under applicable federal, state or local law. Funds to cover your Card purchases will be deducted from your account. If you have opted in for Overdraft Privilege and you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement. At the present time, you may use your Card to:

- Make deposits to your accounts.
- Withdraw or transfer funds from your accounts.
- Obtain balance information for your accounts.
- Make Point-of-Sale (POS) transactions or order by mail, internet or phone to purchase goods or services from merchants that accept Visa.

The following limitations on the frequency and amount of Debit/ATM transactions may apply:

- Purchase and withdraw amounts are limited to the available balance in your account. Overdraft Privilege options may be available.
- See Section 2 for transfer limitations that may apply.
- ATM withdrawals – maximum daily amount of \$500.00*
- POS transactions – maximum daily amount of \$1500.00*

*Daily limits reset at 3:00 AM EST.

Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal. For security purposes, there are other limits on the frequency and amount of transfers available at ATMs. (Off line limits)

b. GABBY. If approved, you may use your account number and GABBY PIN to access your accounts using a touch tone telephone. At the present time, you may use GABBY to:

- Withdraw or transfer funds from your accounts.
- Obtain balance information for your accounts.
- Make loan payments from your accounts.
- Determine if a particular item has cleared.
- Obtain tax information.

GABBY is available for your convenience twenty-four (24) hours per day. See Section 2 for transfer limitations that may apply. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below required the balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address on record. The Credit Union may set other limits on the amount of

any transaction and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. This service may be interrupted for a short time each day for data processing.

c. Pre-authorized EFTs. (UCC Article 4a)

- **Direct Deposit.** Upon instruction of your employer, the Treasury Department, or other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security, to your account.
- **Pre-authorized Debits.** Upon instruction, we will pay certain recurring transactions from your account. See Section 2 for transfer limitations that may apply to these transactions.

I. Provisional Payment Disclosure. Credit given by us to you with respect to an automated clearing house (ACH) entry is provisional until we receive final settlement for such entry through the Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund to the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

II. Notice of Disclosure. Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you when an ACH item has been received and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

III. Choice of Law Disclosure. On your behalf, we may accept payments to your account which have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Funds Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with the ACH Network and governed by the National Automated Clearing House Association Operating Rules, a set of fair and equitable rules that guide risk management and create certainty for all participants.

d. Electronic Check Conversion/Electronic Returned Check Fees. If you pay for something with a check, you may authorize it to be converted to an EFT. You may also authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these EFTs if you complete the transaction after being told (verbally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

e. Online Banking. If approved, you can access your accounts via the internet with an Account ID and password. At the present time, you may use Online Banking to:

- Withdraw or transfer funds from your accounts.
- Obtain balance information, view history, and inquire about cleared checks for your accounts.
- Make loan payments from your accounts.
- Enroll in Mobile Banking to access your accounts via mobile phone

Online Banking is available for your convenience twenty-four (24) hours per day. See Section 2 for transfer limitations that may apply. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address on record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds.

f. Bill Payer. We will process Bill Payer transfer requests only to creditors that the Credit Union has designated in the Bill Payer disclosure, such creditors as you authorize, and creditors for whom the Credit Union has the proper vendor code number. We will not process any Bill Payer transfer if the required transaction information is incomplete. We will withdraw the designated funds from your checking account for Bill Payer transfer by the designated cut-off time on the date you schedule for payment, and we will process the transfer within a designated number of days before the date you are scheduled for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. We cannot guarantee the time that any payment will be credited to your account by the vendor. There is no limit on the number of bill payments per day.

2. Transfer Limitations. (Regulation D)

Regulation D places a limit on certain types of transfers from your deposit accounts (Savings and Money Market Accounts) to no more than six per account per month without your physical presence being required. Transfers limited under this regulation include pre-authorized, automatic, and electronic transfers (including Online and Mobile Banking, GABBY Transfers, and Overdraft Transfers), and transfers made over the phone by an employee of the Credit Union from your account to another account of yours (except loan payments) or to a third party. If you exceed these limitations, transactions will not be honored.

3. Conditions of EFT Services.

a. Ownership of Cards. Any Card or other device which we supply to you is our property and upon request, it must be returned immediately to us, any person whom we authorize to act as our agent, or any person who is authorized to honor the Card. The Card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your Card or account to another person.

b. Honoring the Card. Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

c. Foreign Transactions. Visa debit purchases and cash withdrawals made in foreign countries and foreign currencies will be debited from your account in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established by Visa International. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars is generally either a government-mandated rate or the wholesale rate in effect the day before the transaction processing date, increased by one percentage point. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. To minimize exposure to fraudulent activity, at its discretion, the Credit Union can impose restrictions on foreign transactions.

d. Security of Access Code. You may use one or more access codes with your EFT services. The access codes issued to you are for your security purposes. Any codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the Card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You

understand that any joint owner whom you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

e. Joint Accounts. If any of your accounts accessed under this Agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this Agreement and, jointly and severally, shall be responsible for all EFT transactions to or from any savings and checking or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and hereby is authorized by every other joint account owner to, make any transaction permitted under this Agreement. Each joint account owner is authorized to act for the other account owners and the Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

4. Fees and Charges.

There are certain fees and charges for EFT services. From time to time, the charges may be changed. We will notify you as required by applicable law.

a. Debit / ATM Card Fees.

- First four (4) withdrawals per month are free.
Additional withdrawals – \$.60 each
- Overdraft Privilege Fee for POS/ATM – \$29.00 per item
- Replacement card – \$5.00 per card
- PIN mailer reminder – \$3.00 per request

b. Bill Payer Fees.

- \$4.75 monthly service fee. *This fee is waived if you are enrolled in E-Statements.*

If you use an ATM not operated or designated by the Credit Union, you may be charged a fee by the ATM operator and by any national, regional or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

5. Member Liability.

You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your Card, or your access code, you are responsible for any transactions that person authorizes or conducts on any of your accounts. If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (717) 569-7180 during business hours or (800) 554-8969 at any time, or write to LANCO Federal Credit Union, 349 W Roseville Rd, Lancaster, PA 17601.

Tell us immediately if you believe your card has been lost or stolen, or if you believe someone has used your Card or access code or otherwise accessed your accounts without your authority.

- If a transaction was made with your Card or Card number without your permission, and was a Visa transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your account or card.
- For all other EFT transactions, including ATM transactions, or if you were grossly negligent in the handling of your account or card, your liability for an unauthorized transaction is determined as follows:
 - If you tell us within two (2) business days, you are liable for no more than \$50.00.
 - If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card, and we can prove we could have stopped someone from using your Card without your permission if you had told us, you are liable for no more than \$500.00.

Tell us immediately if your statement shows transfers that you did not make. If you do not tell us within sixty (60) days after the statement was mailed, you may not be refunded any money lost after the sixty (60) days if we can prove

that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time period.

6. Right to Receive Documentation.

a. Periodic Statements. Transactions you make through any ATM or POS terminal, GABBY, Pre-authorized EFTs, Online Banking, Mobile Banking, or Bill Payer will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. You will receive a statement at least quarterly.

b. Terminal Receipt. You will be offered a receipt at the time you make a transaction (except inquiries) involving your account using an ATM, POS terminal or debit card transaction with a participating merchant.

c. Direct Deposit. If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source, and you do not receive a receipt (such as a pay stub), you can find out if the deposit has been made by calling (717) 569-7180 during business hours, or by using GABBY, Online Banking, or Mobile Banking. This does not apply to transactions occurring outside the United States.

7. Account Information Disclosure.

We will disclose information to third parties about your account or the transfers you make:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- To comply with government agency or court orders; or
- If you give us your written permission.

8. Business Days.

Our business days are Monday through Friday, excluding holidays.

9. Credit Union Liability and Pre-authorized Payments.

a. Credit Union Liability for Failure to Make Transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy, or if the transaction involves a loan request exceeding your credit limit.
- If you use your Card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM is not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- If the error is caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your willful or negligent use of your Card, access code or any EFT facility for making such transfers.
- If the equipment you use to conduct a GABBY, Online Banking, or Mobile Banking transaction is not working properly and you knew about the problem when you started the transaction.
- If you use Bill Payer, we can only confirm the amount, the participating

merchant, and date of the bill payment transfer made by the Credit Union. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. We are not responsible for investigating such errors.

- Any other exceptions as established by the Credit Union.

b. Pre-authorized Payments

I. Stop Payment Rights. If you have arranged in advance to make regular EFTs out of your account for money you owe others, you may stop payment of pre-authorized transfers from your account. You must notify us verbally or in writing at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within fourteen (14) days of any verbal notification. If we do not receive the written confirmation, the verbal stop payment order shall cease to be binding fourteen (14) days after it has been made.

II. Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay is required to tell you ten (10) days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.

III. Liability for Failure to Stop Payment of Pre-authorized Transfers. If you order us to stop payment of a pre-authorized transfer three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

10. Notices.

All notices from us will be effective when we have mailed them or delivered them to your last known address in the Credit Union's records. Notices from you will be effective when received by the Credit Union at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which these services are offered. We will mail notice to you at least twenty-one (21) days before the effective date of any change. Use of these services are subject to existing regulations governing the Credit Union account and any future changes to those regulations.

11. Billing Errors.

In case of errors or questions about EFTs from your accounts, call LANCO at (717) 569-7180 or send a written notice to LANCO Federal Credit Union, 349 W Roseville Rd, Lancaster, PA 17601 as soon as you can. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem appears.

- Tell us your name, account number, and the dollar amount of the suspected error.
- Describe the electronic transfer you are unsure about and explain as clearly as you can why you believe the Credit Union has made an error or why you need more information.

If you tell us verbally, we may require that you send us your complaint or question in writing within ten (10) business days. If we do not receive it within ten (10) business days, we may not credit your account.

We will tell you the results of our investigation within ten (10)* business days after we hear from you and will correct any error promptly.

If we need more time, however, we may take up to forty-five (45)** days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10)* business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. We will tell you the results within three (3) business days of completing our investigation.

If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

*If you give notice of an error within thirty (30) days after you make the first deposit to your account, we will have twenty (20) business days instead of ten (10) business days.

**If you give notice of an error within thirty (30) days after you make the first deposit

to your account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S. its possessions and territories, we will have ninety (90) days instead of forty-five (45) days to investigate.

NOTE: If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within five (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within ten (10) business days.

12. Termination of EFT Services.

You may terminate this Agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your Card and any access codes. You must return all Cards to the Credit Union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you verbally or in writing. If we terminate this Agreement, we may notify any participating merchants making pre-authorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further pre-authorized transaction instructions. We may also program our system not to accept your Card or access code for any EFT service. Whether you or the Credit Union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any EFTs made prior to termination.

13. Governing Law.

This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Pennsylvania, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the Lancaster County, Pennsylvania.

14. Enforcement.

You are liable to us for any loss, cost or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgement collection actions.