

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE

This Electronic Funds Transfer Agreement is the contract which covers your and our rights and responsibilities concerning the electronic funds transfer (EFT) services offered to you by Homestead Federal Credit Union (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 "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share and share draft accounts you have with the Credit Union. Electronic funds transfers are electronically initiated transfers of money from your account through the electronic funds transfer services described below. By signing an application or account card for EFT services, signing your Card, or using any 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.** You may use your Card to purchase goods and services from participating merchants. 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 share draft account. If the balance in your account is not sufficient to pay the transaction amount, the credit union will pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts, or loan accounts that you have established with the Credit Union. If 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. You may use your Card and PIN (Personal Identification Number) in automated teller machines of the PULSE Network and such other machines or facilities as the Credit Union may designate. At the present time, you may also use your Card to:

- Withdraw funds from your share and share draft accounts.
- Make POS (Point of Sale) transactions with your Card and PIN (Personal Identification Number) to purchase goods or services at merchants that accept VISA.
- Order goods or services by mail or telephone from places that accept VISA.

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

- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.
- There are daily withdrawal and purchase limits. You will be notified of these limits by the Credit Union before you receive your access Card.
- b. **Preauthorized EFTs:**
 - **Direct Deposit.** Upon instruction of your employer, or the Treasury Department, or other financial institutions,

the Credit Union will accept direct deposits of your pay-check or of federal recurring payments, such as Social Security, to your share account.

• **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your share and share draft account.

* See Section 2 for transfer limitations that may apply to these transactions.

* **Stop Payment Rights:** If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account.

You must notify us orally 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 oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made.

* **Notice of Varying Amounts:** If these regular payments 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.

* **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop payment of a preauthorized 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.

c. **Electronic Check Conversion/Electronic Returned Check Fees.** If you pay for something with a check or share draft you may authorize your check or share draft to be converted to an electronic fund transfer. You may also authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these electronic funds transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

2. **Transfer Limitations.** For all share accounts, no more than six (6) preauthorized, automatic, or telephone transfers and withdrawals may be made from these accounts to another account of yours or to a third party in any month, and no more than three (3) of these six (6) may be made by check, draft, or access card to a third party. If you exceed these limitations, your account may be subject to a fee or be closed.

3. **Conditions of EFT Services.**

a. **Ownership of Cards.** Any Card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card,

immediately according to instructions. 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. If someone uses your Card or code without your permission, you can lose not more than \$50 unless you wrote your personal identification number (PIN) on your Card or you made your PIN or code readily available for discovery in connection with a theft or loss of your Card or code. If you wrote your PIN on your Card or

made your PIN or code readily available you will be liable for unauthorized transactions resulting from the loss or theft as follows: You will be liable for \$50 if you report the loss within two (2) business days. 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 can be liable for one half of the amount of the loss up to \$500.

Member(s) initials _____

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back 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 periods. 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:

(406) 259-7052 or 800-336-4724 or Fax: (406) 259-6385
or write to:
Homestead Federal Credit Union
1115 1st Ave. N.
Billings, MT 59101-2664

4. **Right to Receive Documentation.**

a. **Periodic Statements.** Transfers and withdrawals made through any ATM or POS terminal, Debit Card transactions or preauthorized EFTs will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. **Terminal Receipt.** You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM, POS terminal, or Debit Card transaction with a participating merchant.

c. **Legal Status of Receipts.** Receipts from the machines are subject to verification by the Credit Union. However, the receipt provided to the person initiating the electronic fund transfer is prima facie proof of the transaction which it records. Deposits are subject to verification by the Credit Union of the amount actually deposited.

d. **Member Records.** Keep all records as your record of your electronic fund transfers/transactions until you have received your periodic statement and have determined that it is correct. It is important that you reconcile the amounts in your Credit Union accounts with the statements sent to you by promptly checking your record of deposits, withdrawals, and electronic fund transfers. If there is an error, please contact the Credit Union promptly as provided in Section 4 of this Agreement. Your receipt will be important in proving any error. If you do not contact the Credit Union promptly, you may lose the right to have your account credited for the error.

e. **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 whether or not the deposit has

been made by calling (406) 259-7052. This does not apply to transactions occurring outside the United States.

- 5. Account Information Disclosure. We will disclose information to third parties about your account or the transactions 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 court orders or government agencies;

6. Business Days. Our business days are Monday through Friday, excluding holidays.

7. 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 used 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 was 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 was 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.
- Any other exceptions as established by the Credit Union.

8. 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 this service is offered. We will mail notice to you at least twenty-one (21) days before the effective date of any change. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

- The following information is a list of safety precautions regarding the use of Automated Teller Machines (ATM) and Night Deposit Facilities.
- Be aware of your surroundings, especially at night.
- Consider having someone accompany you when the

- ATM or night deposit facility is used after dark.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- Refrain from displaying your cash at the ATM or night depository. Put your money in your purse or wallet as soon as you complete your transaction. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night depository, consider using another facility or come back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your Card or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number or code on your ATM Card.
- Report all crimes to law enforcement officials immediately.

9. Billing Errors. In case of errors or questions about electronic funds transfers from your share and share draft accounts, phone us at the following number or send us a written notice to the following address 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. Call us at:

(406) 259-7052 or (800) 336-4724 Fax: (406) 259-6385

or write to:

Homestead Federal Credit Union
1115 1st Ave. N.
Billings, MT 59101-2664

- Tell us your name and account number.
- 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.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

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, 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. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

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 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 claim 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.

10. 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 code. 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 orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer 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 EFT's made prior to termination.

11. 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 Montana 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 county in which the Credit Union is located.

12. 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-judgment collection actions.

13. Acknowledgment. By signing below, member acknowledges receipt of a copy of this Agreement and Disclosure signed by the Credit Union.

Member X _____ Date _____
Member X _____ Date _____
Credit Union Staff X _____ Date _____

FEES:

- 5.00 Initial Fee
- 1.00 Excessive Withdrawals(over 6/month)
- 1.00 Balance Inquiries(over 3/month)
- 25.00 Debit Card Replacement Fee
- 20.00 NSF Fee
- 12.00 Account Negative Fee
- 3.00 Automatic Transfer Fee

Applicant and Member Information

Account No. _____
Member Name _____
Street _____
City/State/Zip _____
Home Phone _____ Work Phone _____
SSN/TIN _____ DOB _____
MMN _____ DL # _____
Employer _____ Position _____
Years _____ Hours/Wk _____
Income: \$ _____ Gross/Month _____
Home: ___ Own ___ Rent How long? ___ Years
Monthly Payment _____

Joint Owner Information (if applicable)

Joint Owner _____
Street _____
City/State/Zip _____
Home Phone _____ Work Phone _____
SSN/TIN _____ DOB _____
MMN _____ DL # _____
Employer _____ Title _____
Years _____ Hours/Wk _____
Income: \$ _____ Gross/Month _____
Home: ___ Own ___ Rent How long? ___ Years
Monthly Payment _____

I/We request the following services (please mark):

Debit Card Overdraft Protection

By checking the boxes above and signing below, you certify that the information on this application is complete, true, and submitted for the purpose of obtaining the electronic service(s) and account(s) requested. You agree: (a) that the Credit Union can use credit reporting agencies or otherwise verify that the information on this Application for the purpose of extending credit or services to you or reviewing or collecting on a loan account of yours; (b) that the Credit Union can tell others about its credit experience with you and obtain information and obtain information from others about your credit history and performance. If you request, the Credit Union will tell you the name and address of any credit reporting agency from which it received a credit report on you. If approved for the requested electronic funds transfer services, you acknowledge receipt of and agree to the terms of the Electronic Funds Transfer Agreement.

Member's Signature Date

Joint Owner Date

For Credit Union Use Only:
Approved by _____ Member Verification _____
Loan Approved By _____ Amount Approved \$ _____
Credit Report _____ Access Card _____ PIN Requested _____

Please detach and return APPLICATION to the Credit Union