

Electronic Fund Transfers Disclosure

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference. Online services, including internet and mobile banking, and online bill payment services are described in separate Agreements that you will receive when you register for these services.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your Share (savings), Share Draft (checking), or Power account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your share draft, share savings, or Power account(s).
- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

DEBIT CARD AND ATM OVERDRAFT CONSENT - If a one-time debit card transaction is presented for authorization without sufficient funds in your account to cover the transaction, we will not pay the transaction unless you preauthorize us to do so. If you do preauthorize us, then we may pay the one-time debit card transaction presented without sufficient funds in your account, which will create an overdraft and you will be charged a fee. If you do not preauthorize us, we will decline all one-time debit card transactions that are presented without sufficient funds in your account. You may reinstate or revoke your authorization to have us pay one-time debit card transactions at any time by calling us at 800-400-8790, writing NEFCU, PO Box 527, Williston VT 05495, or visiting one of our branch locations and informing us of your decision. Your decision does not guarantee that we will always pay your debit card transactions when there are insufficient funds in your account to cover the transaction. We retain the right to pay or not pay any items at our discretion when there is not enough money in your account to cover the transaction according to our standard overdraft practices.

AccountLine Telephone Transfers - types of transfers - You may access your account by telephone 24 hours a day at (802) 879-8739 using your touch tone phone, your account numbers, and your code number, to:

- find out what the balances are in your share and share draft accounts, and how much is available on your Line of Credit Loan.

- inquire whether or not a specific draft has cleared your share draft account, including the date and the amount that the draft was paid for, the date and the amount of the last payroll deposit made to your share or share draft account, and the date and the amount of the last dividend paid to your share or share draft accounts.
- transfer money between your share and share draft accounts, from your share or share draft accounts to your Line of Credit Loan, or from your Line of Credit Loan to your share or share draft accounts.

ATM Transfers - types of transfers and dollar limitations - You may access your account(s) by ATM using your Money Card and personal identification number or CheckMate™ Card and personal identification number, to:

- make deposits to share draft and share savings account(s)
- get cash withdrawals from share draft and share savings account(s)
 - you may withdraw no more than \$500.00 per card, per day
- transfer funds between share draft and share savings accounts

Some of these services may not be available at all terminals.

Types of VISA® CheckMate™ Card Transactions - You may access your share draft account(s) to purchase goods (in person or by phone), pay for services (in person), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. The amount of the charge is subject both to the 24 hour limit described below and the available balance in your account (after taking into account the "holds" described below).

Limits - Due to concerns for the security and privacy of your information, we will issue one card to each member. You will be able to access up to 5 share and 5 share draft accounts with this one card. There are maximum limits on the amount of total purchases you may make using your card in any calendar day. The maximum amount of these limits is \$5,000 or the available balance in your account, whichever is less.

Daily limits on pos/signature based transactions - Debit Card

Based on results received through a credit evaluation of the applicant, your card MAY be subject to the following dollar limitations on a daily basis:

- ATM withdrawal transactions: up to \$500/day*
- POS (PIN based) transaction: up to \$500/day*
- POS (signature based) transaction: up to \$1,000/day*

* A combined total of \$1,000 per day is the maximum for the ATM or POS PIN based transactions. The maximum combined daily limit for all types of transactions is \$2,000.

Holds - Because there can be a delay when a merchant authorizes a purchase and when the transaction is charged to your account, we will place a hold against funds in your account. The hold is generally removed when the merchant processes your transaction or in 2 business days (whichever comes first). A merchant has the right to place an extended hold on transactions up to 7 days.

Foreign Currency Conversions. When you use your NEFCU Visa Checkmate Debit Card(s) at a merchant outside the United States or at a merchant that processes in a currency different from US Dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date, plus 1%, in each instance. The currency conversion fee will be passed on to the member. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Prohibition Against Illegal Use. You agree not to use your card(s) for illegal purposes or transactions, including but not limited to, illegal gambling. Display of a payment card logo by, for instance, an online merchant does not necessarily mean that such transactions are legal in the jurisdiction that the cardholder is located in at the time of such use.

Non-Visa Debit Transaction Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit Network* (a non-Visa network) without using a PIN.

The non-Visa debit network(s) for which such transactions are enabled are: NYCE Network.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

FEES

- Third party ATM providers may add a surcharge.
- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.
- **We charge a fee per network transaction which may be waived based on credit union relationship.**

Refer to the Pricing Schedule for current fees.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 800-400-8790 to find out whether or not the deposit has been made.
- **Periodic statements.** You will get a monthly account statement from us for your share draft accounts.

You will get a monthly account statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:
Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.
Please refer to our separate Pricing Schedule for the amount we will charge you for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 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 transfer.** If you order us to stop one of these payments 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.

FINANCIAL INSTITUTION'S LIABILITY

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 will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

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

1. where it is necessary for completing transfers; or
2. in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. in order to comply with government agency or court orders; or
4. as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

- **Generally.** When you allow someone to access your account(s), (by sharing your card and PIN for example, and not in any way limiting the means of authorization,) you are **liable** for all such transactions, even if that person exceeds the authority that you gave - EXCEPT for transactions occurring after you tell us that you have cancelled that person's authority. Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

- **Additional Limit on Liability for VISA® CheckMate™ Card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen VISA® CheckMate™ Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us at the telephone number listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. 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 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for VISA® CheckMate™ Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for VISA® CheckMate™ Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) 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 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three business days after 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.

OTHER TERMS AND CONDITIONS

Use and Care of the Card. If you use the Card at a merchant location (including internet sites), you are authorizing the merchant to act for you (as your agent) in completing the transaction. The Card remains the property of the Credit Union. You will take care of your Card and will not give the Card or any PIN to any other person or write your PIN on the Card. If it is lost or stolen, you will notify us immediately.

Line of Credit Accounts Only. As applicable, if you use the Card or any of your PINS to withdraw money from your deposit account and the withdrawal creates an overdraft in your deposit account, a loan will be made to you in accordance with your Line of Credit Account Agreement to cover the amount of the overdraft, provided that you are not in default under the agreement; the availability of credit has not been suspended; the agreement has not been terminated by you or the Credit Union; and that you do not exceed your credit limit. Using your Card and your PIN to make a withdrawal when there is not enough money in your deposit account is a written

order by you requesting the loan. If an overdraft in your deposit account in excess of your available credit does occur, you will pay the full amount of the overdraft and applicable charge to us immediately upon request.

Termination. We reserve the right to terminate your privileges of use for any card at any time, and for any reason including but not limited to non-activation, non-use or your non-compliance with the terms set forth herein.

Legal Action. If we initiate any legal action to collect money owed to us under this agreement, including any counterclaim, you agree to pay all our costs for such action, including any reasonable attorney's fees. You also agree to pay all of our post-judgment collection costs and expenses, including reasonable attorney's fees. This provision does not apply to any action in connection with any credit account. In such cases, the account agreement will govern these costs.

Claims and Defenses against Merchants. We are not responsible for goods or services you purchase or lease by using a Card or a POS transaction or POS/PIN transaction, we are not subject to any claims or defenses you may have against a merchant in connection with any POS transaction or POS/PIN transaction or the underlying merchant transaction.

When performing a one-time debit card transaction, if you do not enter a PIN, the transaction will be processed as a "signature-based" transaction. Merchants supporting signature based transactions must provide you with this option. Note that different rules apply to signature based debit card transactions as described in the "Non-VISA Debit Transaction Processing" section of this agreement.

CHECKMATE™ CARD ACTIVATION

You cannot use the card for access to your account or for point-of-sale purchases until it is activated. Please follow the activation instructions when you receive your new card. If you do not want to use your card, please destroy it at once by cutting it in half and inform the credit union at the address below advising us of this action. Activation of your Card indicates your acceptance of the terms and conditions of the Electronic Funds Transfer Disclosure.

AMENDMENT AND CANCELLATION

We may amend (change) the Terms and Conditions by giving you written notice at any time, except we will give you thirty (30) days' prior written notice if the change would result in increased fees or charges, increased liability for you, fewer types of available fund transfers, or stricter limitations on the frequency of dollar amounts of transfers. We are not required to give you prior notice where an immediate change is necessary to maintain or restore the security of our EFT system. However, if such a change is made permanent, we will give you appropriate notice. We may also cancel your privilege to use the Card and any PIN, even without telling you in advance. If we do this, you will return all cards to us at once. You may terminate this agreement at any time by notifying us in writing. If you do this, you also must return all Cards to us at once. Ending this agreement will not affect your obligations under this agreement for transactions or transfers completed with your Card or any PIN, even if those transactions or transfers are completed after the ending date.

NEW ENGLAND FEDERAL CREDIT UNION
CARDHOLDER SERVICES DEPARTMENT
P.O. BOX 527

WILLISTON, VERMONT 05495

Phone: 1-802-879-8790, or 1-800-400-8790

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST



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FEDERALLY INSURED BY NCUA

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