

LABOR CREDIT UNION

200 CONSTITUTION AVE NW
RM S-3220
WASHINGTON, DC 20210
202-789-2901

Electronic Fund Transfers Services Agreement & Disclosure

This Electronic Funds Transfer (EFT) Agreement and Disclosure incorporates the terms and conditions of your Account Agreement with Labor Credit Union (Labor FCU), and is itself incorporated into that Agreement. To the extent that the terms contained in this section are different than those elsewhere in your Account Agreement, this section of the Agreement shall control and be deemed to modify such terms.

An EFT is any electronic transfer of funds into or out of your Account, except wire transfers, which are subject to Federal Reserve Board Regulation J, Subpart B.

This EFT Agreement and Disclosure tells you about your and our rights and responsibilities associated with EFT transactions. These are governed by the Electronic Funds Transfer Act, which is implemented by Regulation E. Some of the wording we use in this EFT disclosure and some of the terms we must abide by are dictated by federal law and regulation.

By applying for or using any EFT service or device with your Account, you agree to the terms of this agreement and disclosure.

Business Days

For purposes of these disclosures, our business days are Monday through Friday, excluding federal holidays.

Fees and Limitations on Transfers

We may charge you fees for certain EFT transactions as disclosed in our Fee Schedule. In some cases, third parties may also charge you fees. Access to non-transaction accounts is limited by Federal Reserve Board Regulation D and other limitations, based on the type of account. Other restrictions may be imposed for security reasons.

There are no limitations on transfers from available balances in your checking Account, other than card transaction limits and restrictions indicated below. We reserve the right to increase or decrease your card transaction limits.

Statements, Receipts, and Notices You Will Get About Your Transfers

- * **STATEMENTS:** We furnish a monthly statement to members with electronic transactions, and at least quarterly if there are no transactions in a particular month.
- * **RECEIPTS:** Most card transactions (except telephone orders, etc.) issue a receipt. A receipt may not be issued for transactions less than \$15.00.
- * **NOTICE OF DEPOSIT TO OUR ACCOUNT:** We do not mail separate notices of EFTs to or from your Account. You can use Online Banking or Audio Response to determine whether an EFT has been made or call us at 202-789-2901.

Right to Stop Payments - Stopping Pre-authorized Payment from Your Account

If you have told us in advance to make regular EFT payments from your Account, you can stop any of these payments. Call us at 202-789-2901, or write to us at PO Box 51, Merrifield, VA 22116. We must receive your request three (3) business days or more before payment is scheduled to be made. If you call, we may also require that you provide your request in writing to us within fourteen (14) days after you call, in a form approved by us. These requirements are different from those to stop a preauthorized check, draft or similar payment. We require written confirmation of any oral stop payment order.

We will charge you for each EFT stop-payment order you give us, as stated in our Fee Schedule. If you tell us to stop payment in this way, and we fail to do so, we may be liable for your actual losses or damages in accordance with the law.

To stop payments initiated through our Online Bill Payment service, follow the online instructions for that service.

To stop scheduled transfers initiated through our Online Banking service, follow the online instructions for Scheduled Transfers in Online Banking.

To stop a payment initiated through a third party, you must contact that party first to cancel the authorization.

Merchant Point of Sale Conversions of Checks to EFTs

You should be aware that in many transactions where you provide a paper check to a merchant or information about your checking Account via telephone, the Internet, mail or other means to request a transaction, the merchant may initiate an immediate electronic funds transfer of funds from your Account. It is very difficult to place a stop payment on these transfers and we will not be able to stop payment. It is your responsibility to determine whether the merchant will initiate the EFT from your Account in the transaction.

Preauthorized Payments

If you have arranged in advance to allow a third party to make regular electronic fund transfers out of your account(s), you may authorize a stop payment of these preauthorized transfers from your account. You must notify Labor FCU verbally or in writing in time for us to receive your request, no less than three business days before the scheduled date of a preauthorized transfer. We may require written confirmation of the stop payment order to be made within 14 days of any verbal notification.

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 account would fall outside certain limits that you set.

If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Our Liability if We Do Not Make Transfers as Agreed

If we do not make a transfer to or from your Account according to properly given instructions, we may be liable for your reasonable losses or damages. However, there are some exceptions. We will not be held liable, for instance:

- a. If, through no fault of ours, your Account does not contain enough funds to complete the transfer;
- b. If circumstances beyond our control, such as fire or flood, prevent the transfer despite reasonable precautions we have taken;
- c. If pre-authorization for transfers has been revoked by law (in case of death or incompetence, for example);
- d. If the ATM does not have enough cash;
- e. If the ATM, Audio Response, Online Banking, or Online Bill Payment service was not working properly and you knew about the breakdown when you started the transaction;
- f. If the Account is dormant or otherwise restricted, such as due to delinquency on an obligation to pay us, or by court order levy;
- g. If information on your Direct Deposit, Payroll Deduction, or other electronic debit or credit request is incomplete or inaccurate;
- h. If the transfer would go over the credit limit on your overdraft line.

There may be other exceptions stated in our Agreement with you.

Audio Response and Online Banking Use

Audio Response and Online Banking provide access to your Account 24 hours a day, seven days a week. Your use is subject to the terms and conditions governing your Account's operation. Visit our website at www.Laborcu.org or contact a Credit Union Representative to learn how to access your Accounts using these services.

By using your Personal Identification Number (PIN) or password, you accept the conditions and terms of this disclosure. You also assume liability for Audio Response and Online Banking use by anyone to whom you disclose your PIN, password or other access codes or information. Transferring funds with Audio Response or Online Banking is subject to the conditions and limitations listed in this disclosure and your Account Agreement and other applicable disclosures.

Advisory Against Illegal Use: You agree not to use your card(s) for illegal gambling or other illegal purposes. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Online Bill Payment

The Credit Union offers an Online Bill Payment Service, which is available through Online and Mobile Banking, to pay bills in the amounts and on the days you request. To participate in Bill Pay you must have a Labor CU Personal Checking Account. After logging in to your Account in Online Banking, click "Bill Payment" for full disclosures and to enroll. In some cases, a fee may apply - please refer to our Fee Schedule. "Pay a Person" payment default limit is \$1600 per transaction and \$3200 per day. "Pay a Company" payment default limit is \$2500 per transaction and \$3500 per day.

Issuance of Access Devices - ATM Cards and Debit Cards

We can only issue you an EFT access device, such as an ATM card or Debit Card upon your request, or if its issuance is to renew or substitute for an access device you already have. We may also distribute an access device to you without request if each of the following conditions are met:

- a. The access device is not validated (i.e. you cannot use the access device without contacting us).
- b. An initial disclosure statement accompanies the mailing, describing your rights and liabilities if the access device is validated.
- c. You receive a clear explanation, stating that the device is not validated (will not work as issued) and instructing you on how to validate or dispose of the device if you do not want it.

Card Use

You may withdraw up to \$500.00, including fees charged by the owner of the ATM you use, or your available balance, whichever is less, from your Account by ATM each day. Depending on the ATM owner, you may have to make multiple withdrawal transactions to receive up to \$500.00.

You may use your ATM or Debit Card at ATMs of this Credit Union and such other machines or facilities as we may designate from

time to time. You may use your Debit Card to buy goods and services (POS transfers) with merchants that honor MasterCard. Funds to cover your card purchase transactions will be immediately deducted from available funds in your share draft checking Account. If the amount of money available in your share draft checking Account will not cover the transaction amount, the transaction may be denied, or we may access your designated Overdraft Protection source or Line of Credit to pay the item.

At many ATM locations, you may:

- a. Withdraw cash from your checking or savings account.
- b. Transfer funds between your savings and checking Accounts.

Other ATM or "point of sale" networks allow withdrawals or purchases only. You are also able to make deposits at LFCU owned ATMs and designated ATM deposit networks. Please refer to our Funds Availability Policy for information on when funds deposited through an ATM become available to you.

Responsibility

By authorized use of your ATM or Debit Card, you agree:

- a. To abide by all rules and regulations relating to the use of the card.
- b. That LFCU may follow all instructions given to machines.
- c. That the card is the property of LFCU and will be returned to us or destroyed immediately upon request, and that the use of the card may be terminated or restricted by us at any time without notice.
- d. That you withdraw up to \$500.00 (including any third-party transaction fees) or your available balance, whichever is less, from your account at an ATM each day. See our Funds Availability Policy for other limits on availability.
- e. That business days do not include Saturday, Sunday, or Federal Holidays and scheduled closings as published in our newsletter, website, or displayed in our lobbies.
- f. That the confidential PIN issued to you is for security purposes. In no event should it be carried on your person or written on the card or on anything else. Never allow a third party to gain access to your card, card number, or PIN.
- g. That all persons that make application for an ATM card or Debit Card shall be jointly and severally liable. If you allow anyone else to use your card, you will be liable for all transactions and/or credit extended to him/her. You understand that we will cancel the card and may not issue you another card when you have allowed another to use your card and seek to cancel that person's authorization. You promise to pay us all amounts made available to you under this Agreement (whether evidenced by a loan agreement or other loan document), plus any FINANCE CHARGE, fees or other amounts due.

Use Restrictions and Illegal Use

The Unlawful Internet Gambling Enforcement Act of 2006 prohibits any person engaged in the business of betting or wagering from knowingly accepting payments in connection with the participation of another person in "unlawful internet gambling," defined as "placing, receiving or otherwise knowingly transmitting a bet or wager by any means which involves the use, at least in part, of the internet where such bet or wager is unlawful under any Federal or State law in the State in which the bet is made. Restricted transactions are prohibited from being processed through your LFCU accounts. Restricted transactions are transactions in which a person accepts credit, funds, instruments, or other proceeds from another person in connection with unlawful internet gambling.

You may not use your card to initiate any type of gambling transaction or to initiate money transfers through such third-party services as Western Union MoneyGram.

You agree that illegal use of your Credit Card or Debit Card will be deemed an action of default and/or breach of contract and such service and/or other related services may be terminated at the Credit Union's discretion.

You agree, should illegal use occur, to waive any right to sue us for such illegal use of any activity directly or indirectly related to it. Additionally, you agree to indemnify and hold the Credit Union harmless from any suits or other legal action or liability, including reasonable attorney's fees, directly or indirectly resulting from such illegal use.

Fraud Monitoring and Suspicious Activity Blocks

We use fraud monitoring services in compliance with applicable law and regulations to protect your funds and the security and integrity of our payment systems. Your ATM and Debit Card may be temporarily blocked if suspicious activity involving your card is detected. In such cases, every effort will be made to contact you immediately. You are responsible for notifying us promptly of any change in your contact information. Temporary activity blocks placed by our monitoring services will remain in place until they or we are able to contact you and resolve any questionable transactions.

Non-Master Card Debit Transactions

LFCU enables non-Master debit transaction processing and does not require that all such transactions be authenticated by a PIN. A non-Master debit transaction may occur on your LFCU debit card through our ATM network. Below are examples to distinguish between a Master debit and non-Master debit transaction:

*To initiate a Master debit transaction at the point of sale, the cardholder signs a receipt, provides a card number (generally in e-commerce or mail/telephone order environments) or swipes the card through a POS terminal.

*To initiate a non-Master debit transaction, the cardholder enters a PIN at the POS terminal or, for certain bill payment transactions, provides the account number for an e-commerce or mail/telephone order transactions after clearly indicating

a preference to route it as a non-Master transaction.

A non-Master debit transaction will not provide the zero liability protection benefit.

Provisions of the cardholder agreement relating to Master Card transactions are inapplicable to non-Master Card transactions.

Lost/Stolen Card Notification and Liability for Unauthorized Transactions

Tell us AT ONCE if you believe your card has been lost, stolen or compromised. Notifying us immediately at the appropriate number listed below is the best way of keeping your possible losses down. Failure to notify us promptly could result in the loss of all the money in your Account, plus available funds from your overdraft line of credit. If you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your device without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your device, and we can prove we could have stopped someone from using your device 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 funds if you 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.

- a. **Master Card TRANSACTIONS.** If a transaction is made with your Master card number or PIN without your permission, and is for a Master card transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your card, card number or PIN.
- b. **NON-Master TRANSACTIONS:** If you tell us within two (2) business days, you will be liable for no more than \$50 if someone used your card, card number, or PIN without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card card number or PIN, you can be liable for as much as \$500.00.
- c. **GENERAL NOTICE.** 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 you lost. We may at our option extend the time periods.

Telephone Number for Reporting Lost/Stolen Cards and Unauthorized Transactions

If you believe that your ATM or Debit Card has been lost or stolen, you should immediately call us at 202-789-2901 during regular business hours or 1-800-528-2273 after hours and weekends. You may also write to Member Services Department, PO Box 51, Merrifield VA 22116, or fax us at 202-408-8253

If you believe that your Credit Card has been lost or stolen, you should immediately call 202-789-2901 during regular business hours, after hours, and weekends.

When reporting lost or stolen cards, please have your member number and/or card number ready. Report any theft to local law enforcement.

Returns and Adjustments

Merchants and others who honor the Debit Card may give credit for returns or adjustments, and they will do so by sending us a credit that we will post to your Account linked to the Debit Card.

Provisional Payment Disclosure

Credit given by Labor FCU to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry. If we do not receive final settlement, Labor FCU is entitled to charge your account for the amount of provisional credit and applicable returned item fees.

Notice 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 of receipt of an ACH item, 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.

Foreign Transactions

Purchases, cash withdrawals, cash advances, and credits made or initiated in foreign countries or foreign currencies will be billed to you in U.S. dollars regardless of your physical location. A transaction's location for purposes of invoking the foreign transaction fee is determined by internationally-based or overseas merchants, or the physical location of the merchant who consummates the transaction rather than where the consumer member is physically located. The conversion into dollars will be made in accordance with the operating rules established by Mastercard, Inc. and may occur on a date other than the date of the transaction; therefore, the currency conversion rate may

be different than the rate in effect at the time of the transaction.

We do not determine the currency conversion rate that is used nor do we receive any portion of the currency conversion rate. You agree to pay the converted amount.

The exchange rate to dollars will be a rate that is in effect for the applicable central processing date and is selected either from the range of rates available in wholesale currency markets; or the government mandated rate.

Merchant Disputes

We are not responsible for the refusal of any merchant or financial institution to honor your ATM card or Debit Card.

Effect of Agreement

The terms contained in this Electronic Funds Transfer Services Disclosure apply to all EFT transactions on your Account even though sales, credit or other slips you may have signed with a merchant or other party contain different terms. In the case of a conflict with such other documents, the terms herein shall govern.

You may have other agreements with us for financial services and they will continue to govern the terms of those services, but the terms herein shall take precedence for transactions governed by the Electronic Funds Transfer Act and Regulation E.

Confidentiality of Information

We may disclose information to third parties about your Accounts or the transactions you make:

- a. where it is necessary for completing transactions;
- b. in order to verify the existence and condition of your Account for a third party such as a credit bureau or merchant;
- c. in order to comply with government agency or court orders; or
- d. if you give us your written permission.

Please refer to your Account Agreement and Privacy Notice for further details.

Errors or Questions

In Case of Errors or Questions About Your Electronic Transactions, telephone us at 202-789-25901 as soon as you can if you think your statement is wrong or if you need more information about a transaction listed on the statement or receipt. You may also write us at: Member Services Department, PO Box 51, Merrifield, VA 22116, or by fax to 202-408-8253. We must hear from you no later than sixty (60) days after we have sent or delivered to you the FIRST statement on which the problem or error appeared.

- a. Tell us your name and Account number.
- b. Describe the error or the transaction you are unsure about, including the date(s) and any other identifying information, and explain as clearly as you can why you believe it is an error or why you need more information.
- c. 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 result 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) calendar days to investigate your complaint or question, in which case we will give provisional credit to your Account within ten (10) business days for the amount you think is in error. 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 provide provisional credit to your Account. We will tell you the results within three (3) business days after completing our investigation. If we determine that there was no error, we will send you a written explanation and any provisional credit that was given will be deducted from your account, along with any applicable fee as disclosed in our Schedule of Fees. You may ask for copies of the documents that we used in our investigation.

Termination

You may terminate your ability to make electronic transactions at any time by giving LFCU written notice thereof and returning to the Credit Union all cards or access devices issued to you. Such termination shall have no effect on your liability for transactions occurring prior to delivery of such written notice and return of said cards to us.

Amendment to the Disclosures

We may amend these terms from time to time by sending you the advance written notice required by law. Notice will be sent at least twenty-one (21) days in advance if the change results in

- a. an increase in fees or charges;
- b. an increase in liability for the member;
- c. fewer types of available EFT; or
- d. stricter limitations on the frequency or dollar amounts of transfers.

However, we do not need to give prior notice if an immediate change in terms or conditions is necessary to maintain or restore the security of an Account or an electronic fund transfer system. If the Credit Union makes the change permanent and disclosure would not jeopardize the security of the Account or system, we will notify you in writing with the next scheduled periodic statement, or within thirty (30) days of making the change permanent. Each Account will be governed by the disclosures as amended,

unless the Account is closed before the effective date of the amendment.

Waiver And Severability

If any provision of this Agreement shall be declared invalid, unenforceable or illegal, or incapable of being enforced, that part will not affect the validity, enforceability or legality of any other provision; all other terms hereof shall remain in full force and effect. We may delay enforcing our rights under this Agreement without losing them. No delay enforcing our rights will affect your obligation to pay us fees and other amounts you owe us under the Agreement. If we waive a provision of this Agreement, the waiver applies only in the specific instance in which we decide to waive the provision and not to future situations or other provisions.

Governing Laws

This agreement is governed by the substantive law of the Commonwealth of Virginia, excluding its principles of conflicts of law. Any legal action regarding this Agreement or our relationship as set forth in the Agreement, must be brought in the Circuit Court of Fairfax County, Virginia, the jurisdiction of which you and we irrevocably consent.

Enforcement

You agree to be liable to Labor FCU for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize Labor FCU to deduct any such liability, loss, or expense from your account without prior notice to you. In the event a third party brings a legal action to enforce the Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collections actions, if applicable.

Legal Process

If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, except accounts where our right to deduct is prohibited by law. Any legal process against your account is subject to our statutory lien and security interest authorities.