

- Liability for Failure to Stop Payment of Preauthorized Debits

If you order us to stop one of these payments 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.

CONFIDENTIALITY

Here are the circumstances under which we may disclose information to third parties about your account(s) or transfers you make:

- Where it is necessary for completing transactions;
- In order to verify the existence and condition of your account(s) for a third party, such as a credit bureau or merchant;
- In order to comply with government agency or court orders;
- To public accountants doing an audit, or any other person under our control helping us to maintain our records; or
- If you give us your written permission.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSFERS

Tell us AT ONCE if you believe your card and/or code has been lost or stolen. Telephoning is the best way of keeping your possible losses down.

ATM Card Unauthorized Transfers

You could lose all of the money in your account (plus your maximum On Demand Credit Line.) If you tell us within two (2) business days, 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 two (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 can lose as much as \$500.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within sixty (60) calendar days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) calendar 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 hospital stay) kept you from telling us, we will extend the time periods.

Visa Check Card Unauthorized Transfers

You agree to notify us immediately, orally or in writing, of the loss, theft or unauthorized use of your Visa Check Card. You may not be liable for any losses related to purchase transactions using your Visa Check Card (signature-based transactions) if you notify us of the loss or theft. This zero liability limit will apply only if:

- You have exercised reasonable care in safekeeping your

Visa Check Card from risk of loss or theft;

- You have not reported two or more incidents of unauthorized use to us within the preceding twelve (12) months; and
- Your account is in good standing.

This liability limit will apply, provided you did not receive benefit, or the unauthorized use of your Visa Check Card was by someone without actual, implied or apparent authority from you.

“Unauthorized use” means the use of your check card by a person, other than you, who does not have actual, implied or apparent authority for such use, and from which you receive no benefit.

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 802/800-371-5162, or write us at: VSECU, One Bailey Avenue, P.O. Box 67, Montpelier, VT 05601-0067.

CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS

If we do not complete a transfer to or from your account(s) 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:

- If through no fault of ours you do not have enough money in your account(s) to make the transfer;
- If the transfer would go over the credit limit on your On Demand Credit Line;
- If the ATM where you are making the transfer does not have enough cash;
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer;
- If circumstances beyond our control (such as fire or flood, etc.) prevent the transfer, despite reasonable precautions we have taken; or
- There may be other exceptions stated in our agreement with you.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFER

Telephone us at 802/800-371-5162, or write us at: VSECU, One Bailey Avenue, P.O. Box 67, Montpelier, VT 05601-0067 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 sixty (60) calendar days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any);

- 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; and
- 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 (twenty (20) business days on a transaction which occurred within thirty (30) calendar days after your first deposit to a new membership account) 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 (ninety (90) calendar days on transactions outside the U.S.A., point-of-sale debit card transactions that paid for goods or services, or a transaction which occurred within thirty (30) calendar days after your first deposit to a new membership account) to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within ten (10) business days (twenty (20) business days on a transaction which occurred within thirty (30) calendar days after your first deposit to a new membership 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 ten (10) business days, we may not credit your account.

We will tell you the results within three (3) business days after we finish 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.

BUSINESS DAYS

Monday through Friday (excluding federal holidays)

Vermont State Employees Credit Union

PO Box 67

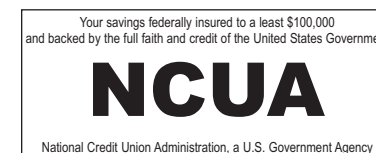
Montpelier, VT 05601-0067

Telephone: 802/800 371-5162

Fax: 802 223-0267

Web: www.vsecu.com

E-mail: info@vsecu.com



070406
PC #2142
Eff: 05/07



Electronic Fund Transfers (EFT) Agreement & Disclosure

◆ Your Rights and Responsibilities as a VSECU Member



ELECTRONIC FUND TRANSFERS AGREEMENT & DISCLOSURE

The Electronic Fund Transfers (EFTs) we are capable of performing are indicated below, some of which may not apply to your account(s). Please read this disclosure carefully because it tells you your rights and obligations for these transactions. By signing an application or account card for EFT services, signing your Card, or using any service, each owner agrees to the terms and conditions in this Agreement and any amendments for the EFT services offered. You should keep this notice for future reference.

For security purposes, your ATM or Visa Check Card may be deleted from our systems after twelve (12) consecutive months of inactivity.

Use of your ATM or Visa Check Card may be restricted in certain countries due to security risks.

ELECTRONIC FUND TRANSFERS

Automated Teller Machine (ATM)

You may access your account(s) by ATM using your ATM card and Personal Identification Number (PIN), to:

- Withdraw cash from your Share Draft or Share account(s);
- Make deposits to your Share Draft or Share account(s);
- Transfer funds between Share Draft and Share account(s);
- Check balances (inquiries) of your Share Draft or Share account(s); or
- Pay for purchases at places that have agreed to accept the card and PIN. These are referred to as Point-of-Sale (POS) transactions.

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

Dollar Limitations

You may withdraw a total of \$300.00* per day, if funds are available. This limit applies to ATM and POS transactions in the aggregate.

**Note — Transactions may be limited if systems are in an off-line mode or temporarily out of service.*

Visa® Check Card (Debit Card)

If you have a Visa Check Card, you may access your account(s) to purchase goods and services wherever Visa debit cards are accepted. You may use your Visa Check Card and PIN (or signature) to:

- Withdraw cash from your Share Draft or Share account(s);
- Make deposits to your Share Draft or Share account(s);
- Transfer funds between Share Draft and Share account(s);
- Check balances (inquiries) of your Share Draft or Share account(s);
- Purchase goods or services at merchants that accept Visa debit cards;

- Order goods or services by mail or telephone from places that accept Visa debit cards; or
- Get cash from a merchant, if the merchant permits, or from a participating financial institution.

Dollar Limitations (Signature and PIN Authorization)

Daily dollar limitations for these transactions is \$2,750.00* in the aggregate. Limitation is based on the daily available balance of your designated Share Draft account, plus any available overdraft protection from your Share account, and any available credit balance from your On Demand Credit Line.

These transactions will automatically be deducted from your designated Share Draft account.

**Note — Transactions may be limited if systems are in an off-line mode or temporarily out of service.*

Access by Phone (Audio Response)

You may access your account(s) by telephone twenty-four (24) hours a day at 802/888 225-7439 using your Personal Security Code, a touch-tone phone, and your account number. You may access your account(s) by telephone to:

- Make loan payments at VSECU;
- Check on cleared drafts or deposits;
- Request a check withdrawal from your account(s);
- Transfer money between your accounts;
- Transfer funds to another member's account (this requires additional authorization from you); or
- Check balances in your account(s).

Access My Accounts Online

You may access your account(s) through the Internet twenty-four (24) hours a day at www.vsecu.com. To begin using this service you will need to enroll at www.vsecu.com.

Bill Pay Online

You may access your Share Draft account(s) to authorize us to make payments to third parties. To begin using this service you will need to be enrolled in Access My Accounts Online, and in Bill Pay Online. You can enroll for both services at www.vsecu.com.

Electronic Check/Draft Conversion Transfers

If you pay for something with a check/draft you may authorize your check/draft to be converted to an EFT. This can happen in the following ways:

- When you provide information from your check/draft or an account to a third party by telephone, Internet or otherwise, who then converts the information to an EFT, Automated Clearing House (ACH) transaction or otherwise;
- You can purchase goods or pay for services and authorize a merchant or service provider to convert your check/draft into an EFT or ACH;
- At the time you offer a check/draft to a merchant or service

provider, you may be asked to authorize the merchant or service provider to electronically collect a charge in the event the check/draft is returned for insufficient funds. Paying such a fee electronically is an EFT.

Your authorization to make these types of EFTs may be expressed by you completing a transaction after being told (orally, or by a notice posted or given to you) that the transaction may be processed electronically; or by you signing a written authorization.

Termination

You may terminate the EFT Agreement by calling us. We may require you to put your request in writing. The Credit Union may terminate the EFT Agreement by notifying you in writing.

LIMITATIONS ON FREQUENCY OF TRANSFERS

In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- For all Share accounts: No more than six (6) pre-authorized, automatic, electronic (including computer initiated), or telephone transfers may be made from these accounts to another account of yours (unless the transfer is to a VSECU loan) or to a third party in any month, and no more than three (3) of these six (6) transfers may be made by check, draft, or debit card to a third party. If you exceed these limitations, the transfer may not be made, or your account may be subject to a service charge, or closed.

CHARGES

- ATM transactions at VSECU owned ATMs are unlimited and free from service charges. ATM transactions at Non-VSECU owned ATMs are limited each month and may incur a service charge based on the Member Choice plan you maintain with us.
- If you use an ATM that is not operated by us, you may be charged a service charge by the operator of the machine, and/or by an automated transfer network, and, you may be charged for a balance inquiry even if you do not complete a transfer.
- Refer to the Truth-in-Savings Disclosures for service charges applicable to EFTs.

FOREIGN TRANSACTIONS

Transactions made in foreign currencies will be debited from your designated Share Draft or Share account in U.S. dollars. Additionally, a service charge of 1% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all foreign transactions, including purchases, withdrawals, cash advances or credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside the U.S. The 1% service charge, known as an International Service Assessment charge, is charged by VISA to

the Credit Union, which the Credit Union will pass on to you for each of your foreign currency transactions.

DOCUMENTATION

Here is a summary of your rights to receive documentation or notification of EFTs:

- **Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your account using an ATM or POS terminal; or by processing a Visa Check Card transaction with a participating merchant.
- **Direct Deposits.** If you have arranged to have direct deposits made to your account(s) at least once every sixty (60) days from the same person or company, you can call us at 802/800-371-5162 to find out whether or not the deposit has been made.
- **Periodic Statements.** If you have EFT credits or debits to any one of your account(s), you will receive a monthly account statement. If there are no transfers in a particular month, you will receive a statement at least quarterly.

PREAUTHORIZED TRANSFERS

Direct Deposit

You may make arrangements for certain direct deposits (such as payroll, Social Security, or other instruction from a financial institution, etc.) to be accepted into your Share Draft or Share account(s).

Preauthorized Debits

You may make arrangements to pay certain recurring bills from your Share Draft or Share account(s).

- Stop Payment Rights

If you have told us in advance to make regular EFT payments out of your account(s), you can stop any of these payments. Here's how:

Call us at 802/800-371-5162, or write us at: VSECU, One Bailey Avenue, P.O. Box 67, Montpelier, VT 05601, in time for us to receive your request at least three (3) business days 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 fourteen (14) calendar days after you call. Unlike checks, you cannot place stop payments on purchases made with your Visa Check Card.

- Notice of Varying Amounts

If these regular payments vary in amount, the person you are going to pay will tell you, ten (10) calendar 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 will differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.