



PARDA FEDERAL CREDIT UNION INFORMATION ON ELECTRONIC FUND TRANSFERS

We are required by Federal and State Legislation to supply you with the following information pertaining to your rights and liabilities with respect to Electronic Fund Transfers. We would also like you to become familiar with the terms and conditions governing the issuance and use of an Automated Teller Machine Card, if applicable. Please retain this information for future reference. If you have arranged to have:

Direct Deposits (electronic deposits) made to your PARDA Federal Credit Union account (Account) from a private company, another financial institution, or the U.S. Government;

Preauthorized withdrawals (electronic transfers) made from your Account for payment to a utility company, another financial institution, an insurance company, or any other company or individual authorized by you;

Electronic transfers authorized by you and originated by PARDA to another financial institution;

Electronic transfers authorized by you and originated by PARDA from another financial institution;

Electronic check conversion transactions/returned check fees posted directly to your account;

An Automated Teller Machine Card (Card) issued for use in connection with your Account for use with an Automated Teller Machine (ATM) and/or Point-of-Sale (POS) services;

A Debit Card (Card) issued and used in connection with your Account at an Automated Teller Machine (ATM) and/or Point-of-Sale (POS) services;

A PARDA Audio Response (PAR) control number used in connection with your Account for use with a touch-tone telephone to make electronic transfers.

We would like you to become aware of some of your rights and liabilities that relate to those services we make available to you. Under the Electronic Fund Transfer Act, the rights and liabilities apply to you regarding the above described services where the Account has been opened primarily for personal, family or household purpose, and do not apply in any way to non-natural persons, such as business corporations.

In case of errors or questions about your electronic fund transfers, telephone or write to us 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, we must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error occurred. If your statement shows transfers that you did not make including those made by card, code or other means, TELL US AT ONCE.

ERROR RESOLUTION

If within 60 calendar days you notify PARDA, orally or in writing, of an alleged error affecting the Account, PARDA shall be obligated to investigate the alleged error and take the following actions: (1) If PARDA determines the statement contains an error, PARDA, within 1 business day after such determination but not later than 10 business days after notification of the alleged error, subject to the exceptions described below, shall take all such action as necessary to correct the error and reimburse you for any resulting loss of funds and/or dividends and mail a written report of such action to you; or, (2) If PARDA determines the statement contains no error, PARDA, within 3 business days after such determination but no later than 10 business days after notification of the alleged error, subject to the exceptions described below, shall mail a written report explaining the basis for the determination that the statement is correct. Copies of documents relied upon by PARDA to confirm such belief will be mailed to you upon request. If we receive your complaints or questions in writing and we have not determined whether the alleged error occurred within 10 business days, we may take a total of 45 calendar days to investigate (90 days for POS transactions and for transactions initiated outside of the United States). If this additional time is used, we will adjust your Account for the amount of the alleged error so that you will have use of the money during the time it takes us to complete the investigation.

If you notify PARDA orally, you must send PARDA your complaint or question in writing within 10 business days and you should include: (1) Your name and address; (2) A description of the error or transaction you are unsure about; (3) An explanation of why you believe an error was made or why you need more information; and, (4) The dollar amount of the suspected error. If you do not send us your complaint or question in writing within 10 business days from the date of your oral notification, we may take up to 45 calendar days to investigate (90 days for POS transactions and for transactions initiated outside of the United States) before determining whether an error occurred and we will not adjust your Account for the amount of the alleged error. In case of errors or questions about electronic funds transfers from your accounts or if you need more information about a transfer on the statement or receipt, telephone us at (800) 860-5640 or send us a written notification as soon as you can. Notification of the alleged error or

written confirmation of a prior notification of an alleged error must be addressed to PARDA Federal Credit Union, P.O. Box 5010, Rochester, Michigan 48308-5010.

The term "error", as used here means any of the following: (1) An unauthorized use; (2) An incorrect transfer from or to the Account; (3) The omission from a statement of a transfer affecting the Account; (4) A computational error; or, (5) Any other error having an adverse affect on the Account.

Please tell PARDA at once if you believe that your Card or PIN has been lost or stolen or if you believe that an electronic funds transfer has been made without your permission using information from your check. Prompt telephone notice to PARDA is the best way to minimize your possible losses. If you do not notify PARDA within 2 business days after you learn of the loss or theft of your Card or PIN, you can lose as much as \$500.00 if it can be proven that PARDA could have prevented someone from taking the money if you had notified us. If you tell us within 2 business days, you cannot lose more than \$50.00 if someone used your Card or PIN without your permission. Also if your statement shows transfers that you did not make, tell us at once. If you don't tell us within 60 days after the statement was mailed to you, you may not get back any money you lose 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.

LIABILITY

If we do not complete an electronic fund transfer, in accordance with the terms and conditions of an Account, on time or in the correct amount, we will be liable for your losses or damages. However, there are some exceptions to our liability including, but not limited to the following: If the funds in the Account are subject to legal process or other encumbrance; If an act of God or other circumstances beyond the control of PARDA interferes with a transaction notwithstanding the taking of reasonable precautions and the exercise of reasonable diligence by PARDA; If information necessary to complete the transaction is incomplete or inaccurate; If the agreement for the service has been terminated; If the Account has insufficient available funds to complete the transaction; If an ATM at which a transaction is attempted lacks sufficient cash to complete the transaction; If failure to complete the transaction results from technical malfunction of which you were aware when you attempted to initiate the transaction; If your Card has been reported lost or stolen or if by reason of excessive activity on your Account or otherwise, PARDA has reasonable basis for acting to protect the security of your Account; or if applicable law otherwise prevents completion of the transaction.

Any amount credited to the Account by electronic fund transfer which is not collected, including any check or item cashed or guaranteed through the use of a Card, or which must be returned by PARDA to the originator/sender for any reason through no fault of PARDA, including any expenses incurred, will be paid by you on demand or may be charged back to any account of which you are named owner.

You must maintain a minimum of \$5.00 in a regular share/savings account to be entitled to make electronic fund transfers affecting your Account. We reserve the right to increase the minimum balance requirements and to impose other restrictions in the future. If we do, we will give you at least 21 days advance written notice. (Notice may be in the form of a statement stuffer and/or newsletter notice.)

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

- (1) Where it is necessary for completing transactions; or
- (2) In order to verify the existence and condition of your account for a third party, such as credit bureau or merchant; or
- (3) In order to comply with a government agency or court orders; or
- (4) If you give us written permission to do so; or
- (5) To verify information regarding improper or unauthorized use of your Account; or
- (6) Where otherwise provided by law.

Our business hours are Monday through Friday, 8:30 a.m. – 5:00 p.m. eastern standard time, excluding holidays.

Our telephone number is (800) 860-5640. Please ask for the "Member Response Center", or write to: PARDA Federal Credit Union, P.O. Box 5010, Rochester, Michigan 48308-5010.

At the present time, you can authorize the following types of electronic transfers to or from your Account originated by a third party:

Transfers to your Account:

Deposits of your net paycheck from various employers who have agreed with us to provide this service.

Deposits of partial payroll deductions from various employers who have agreed with us to provide this service.

Deposits of retirement benefits, deferred compensation, social security, pension payments, disability or survivorship benefits.

Deposits from any third party who have agreed with us to provide this service.

Deposits from another of our members' account(s).

Transfers to your Account from your other asset or loan accounts that we make at your telephone request.

Transfers from your Account:

Payments to third parties who you have authorized to provide this service.

Electronic check conversion transactions posted directly to your account.

Transfers from your Account to your other asset or loan accounts that we make at your telephone request.

Withdrawals from your Account made at your telephone request (a check will be made to your last known address on file).
Payment for purchases from your checking account at places that have agreed to accept the Card.

Electronic Check Conversion/Electronic Returned Check Fees:

If you pay for purchases or bills with a check or share draft, you may authorize your check or share draft to be converted to an electronic funds transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees.

*Electronic transfers originated by PARDA

Transfers to your Account:

Deposits of specific amounts designated and authorized by you from another financial institution on a reoccurring basis.

Loan payments to your account designated and authorized by you from another financial institution on a reoccurring basis.

*Electronic transfers originated by PARDA

Transfers to from Account:

Deposits of specific amounts designated and authorized by you to another financial institution on a reoccurring basis.

*Special rules governing Electronic Transfer Originating from PARDA.

You agree that all electronic transfers originated through PARDA are going to or coming from an account titled in your name at another financial institution. (PARDA does not send or receive funds that we originate to a third party account or merchant.)

Electronic funds originated by PARDA must be authorized 14 days before the first payment is sent or received.

The ACH Authorization agreement will be in effect until one of the following conditions is met:

- You have filled a subsequent Authorization Agreement Change Status
- You have filled out a subsequent Authorization Agreement Cancellation Status
- The designated loan on the Authorization Agreement has been paid off
- PARDA has made more than five (5) attempts to process the Authorization and they were returned to us for any reason.

The maximum amount you can authorize in a single transaction is \$2,500.

If you authorize PARDA to debit an account at another financial institution for a loan payment, you also have authorized PARDA to adjust that amount should your minimum monthly payment amount change for any reason.

To cancel an electronic transfer that you authorized PARDA to originate, you agree to do so, in writing, in such manner that affords us a reasonable time to act upon the request, but not less than 7 days.

The funds that you have authorized PARDA to debit from your account must be available by 10:00 a.m. Eastern Standard Time the business day prior to the date the debit is to be sent to the other financial institution.

PAR Transactions:

Withdrawals from your regular share or checking account (a check will be made to your last known address on file).

Transfers from any regular share account (within one account number) to your checking or loan accounts.

Transfers from your checking account to any of your regular share or loan accounts (within one account number).

Transfers from your Line-Of-Credit loan(s) to any of your share or checking account(s).

Automated Teller Machine Transactions (either with to ATM Card or Debit Card):

Deposits to your regular share or checking account. (Some networks excluded)

Cash withdrawals from your regular share or checking account.

Cash advances from your line-of-credit loan.

Transfers from your regular share account to your checking account or from your checking account to your regular share account.

Transfers from your line-of-credit loan account to your checking account or from your regular share or checking account to your loan account(s) with us.

TO OUR MEMBERS WITH DIRECT DEPOSIT

In addition to what we have already brought to your attention, if you have arranged to have Direct Deposits made to the Account from the U.S. Government, a private company, or from another financial institution, and if you have a share savings or checking account, you will get a monthly statement outlining these deposits. You may also call us at (800) 860-5640 to find out whether or not the deposit has been made.

TO OUR MEMBERS WHO HAVE PREAUTHORIZED WITHDRAWAL (DEBITS) MADE FROM THEIR ACCOUNTS

In addition to what we have already brought to your attention, if you have arranged to have preauthorized withdrawals (electronic transfers) made from the Account for payment to a utility company, another financial institution, an insurance company or any other company or individual authorized by you, these transfers will be reported on your monthly account statement.

If you should want to stop payment on any ACH electronic transfer from the Account, you may do so by calling or writing us in time for us to receive your request 3 business days or more before the electronic transfer is scheduled to be made. If you call, we will also require that you put your request in writing so that we receive it within 14 days after your call. We will charge you \$15.00

for each stop payment order you give. If you do not stipulate whether the stop payment is for a single electronic transfer or all subsequent electronic transfers from the same institution, company, or individual, we will assume it is for all subsequent electronic transfers of the same nature.

If we receive your order to stop a specific electronic transfer 3 business days or more before it is scheduled, and we do not do so, we will be liable for your losses or damages.

PARDA's Routing and Transit (ABA) number is 272478910, your account number is the 13 digit number immediately to the right of our ABA at the bottom of your checks. It is your responsibility to provide your payroll department and/or other merchant with the correct account information. Effective June 1, 2011 PARDA will charge a \$5.00 "manual posting fee" for any item that cannot be system posted due to incorrect account information. If you need assistance with your account information please contact us at 1-800-860-5640.

TO OUR MEMBERS WITH AN AUTOMATED TELLER MACHINE AND OR/ DEBIT CARD (Card)

In an addition to what we have already brought to your attention, if you have arranged to have an Automated Teller Machine Card and/or a Debit Card issued to be used in connection with your Account for use with a Automated Teller Machine (ATM) and/or POS services, we would like you to become aware of some of your rights and liabilities that relate to the use of your Card and the terms and conditions governing the issuance and use of a Card.

The issuance and use of a Card in conjunction with ATM and/or POS services on your Account shall be governed by all applicable State and Federal laws, rules, and regulations, the rules, terms, and conditions of the Account as well as the following:

The Card shall remain the property of PARDA. Upon request of PARDA, you will be required to return the Card at any time and without prior notice, PARDA, at it's sole discretion, may revoke or cancel the Card and thereby terminate this agreement. You may also terminate this agreement at any time by returning the Card to PARDA. Termination, whether by you or by PARDA, shall not affect prior transactions or obligations existing at the time of termination.

You will use a Card only in accordance with the instructions given from time to time by PARDA and transactions on any account other than the Account may not be made through the use of a Card.

You will not transfer or negotiate a Card to any third party and you will not appoint or assign anyone in your place and stead as agent, proxy, attorney-in-fact or in any other aspect, for the use of a Card, since a Card is issued solely and exclusively for your use. Further, you agree that PARDA will not accept withdrawal instructions on the Account by any third party.

You shall be entitled to a receipt evidencing each transaction processed through an ATM or POS terminal and, for each month in which there is a transaction on the Account, or quarterly, whichever is more frequent, a statement containing a brief description of each transaction made on the Account. The receipts and statements are both admissible as evidence in any disputes.

When you use a machine not owned by us, you may be charged a fee by the ATM owner above and beyond any fees charged by PARDA Federal Credit Union. You may be charged a fee for a balance inquiry even if you do not complete a fund transaction. PARDA shall issue you a Personal Identification Number (PIN), which, for security purposes, must be used in order to process any transaction on the account through an ATM or POS terminal. This number is furnished to you in the strictest confidence. You shall be responsible for preserving the security of the PIN. The PIN may not be written on the Card, kept with the Card, or furnished to another person.

If you believe the Card has been lost or stolen, or that someone has transferred or may transfer money from your Account without your permission, call us at (800) 860-5640; or write PARDA Federal Credit Union, P.O. Box 5010, Rochester, Michigan 48308-5010. Our business hours are Monday-Friday, 8:30 a.m. to 5:00 p.m. eastern standard time excluding holidays.

In addition to any other previously mentioned information required to be furnished to you, PARDA shall also furnish you with additional information regarding the Account if requested by you in writing.

Any transaction made after 3:00 p.m. eastern standard time, Monday through Friday and all transactions made on Saturday or Sunday or Legal Holidays may be held over by PARDA until the next business day of PARDA, and no transaction or receipt issued to you in connection with such a transaction shall be effective or bind PARDA until the transaction has been verified, accepted and, if applicable, posted to your Account.

Dividends will be calculated on the Account based on the posting date of the transaction by PARDA and not based on the receipt date when the transaction was entered in the ATM or POS terminal. All deposits made through an ATM are subject to a hold, and may not be available for withdrawal, pending verification and acceptance.

The amount of cash and purchases shall be limited to an aggregated maximum of \$300.00 per Account in any day. You shall have the right to reduce the daily limit to a minimum of \$50.00 per Account in any one day by written request to PARDA. PARDA reserves the right to reduce the daily limit to a minimum of \$50.00 per Account in any one day at its discretion.

The following transactions may be made through an ATM by use of a Card: (1) Making deposits (accepting networks only) and withdrawals on the Account; (2) Payment of any loan due PARDA; (3) Balance inquires (if available either through network or terminal restrictions). Due to terminal and institutional restrictions, all of these transactions may or may not be available at all ATM's. Also the following transactions may be made through a POS terminal by use of an ATM or Debit card issued for use with a share draft (checking) account: the purchase of goods and services at places that have agreed to accept PARDA's Card.

FEES

PARDA reserves the right to impose fees or charges in connection with any of the services described. We will charge you \$1.00 for every withdrawal transfer or balance inquiry after the first 10 per month when you use an ATM. (This is addition to any

surcharge the ATM owner may impose, which is beyond the control of PARDA.) We will charge you a \$28.00 insufficient funds (NSF) fee if through no fault of ours, you do not have enough collected funds in your Account to make the transaction. We will charge you \$5.00 for the reissue of a Card or PIN except at expiration. We will charge you \$25.00 for a Card capture due to fraud or misuse. We reserve the right to impose charges and to thereafter increase these charges if we deem it necessary. If additional charges are imposed or these charges are increased, you will receive at least 21 days advance written notice.

REGULATORY AUTHORITY

These disclosures are required by State and Federal laws governing electronic fund transfers. If you have any questions about your rights under these laws or you believe that your legal rights have been violated, you may contact the following agency:

National Credit Union Administration
9 Washington Square
Washington Avenue Extension
Albany, NY 12205