

PARDA FEDERAL CREDIT UNION

INFORMATION ON ELECTRONIC FUND TRANSFERS FOR HOME BANKING AND BILL PAYMENT

The following information pertains to your rights and liabilities with respect to Electronic Fund Transfers. Please retain this information for future reference. If you have arranged to have:

A Home Banking control number used in connection with your Account for use with a Personal Computer (PC) to make electronic transfers.

Bill Payment Services in connection with Home Banking

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.

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. 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 from the date of your oral notification, we may take up to 45 calendar days to investigate before determining whether an error occurred and we will not adjust your Account for the amount of the alleged error. You may call PARDA about an alleged error at (800) 860-5640. 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 Password has been lost or stolen. 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 Password, 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 Password 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.

AUTHORIZED USERS

In addition to you being liable for transactions that you make, if you have disclosed your password to a third party, PARDA will regard that party as an "authorized user", even if the person you have authorized exceeds your authority. You will be liable for all transactions the authorized user initiates. If you wish to terminate the third parties authorization, you must notify us in writing or by telephone and allow us reasonable time to act upon the request. We may have to change your password or take additional steps to prevent further access by said party. PARDA will remain neutral in disputes between owners of the account and act upon the direction of the primary member only.

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 failure to complete the transaction results from technical malfunction of which you should have been aware when you attempted to initiate the transaction; If through no fault of PARDA, the merchant or institution you are paying does not process the payment in a timely or correct manner; If your Password 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.

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.)

PRIVACY

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 "Operations Department", or write to: PARDA Federal Credit Union, P.O. Box 5010, Rochester, Michigan 48308-5010.

Home Banking Transactions

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

Transfers from any regular share account to your checking or loan accounts.

Transfers from your checking account to any of your regular share or loan accounts.

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

Transfers from any of your regular share, checking or Line-Of-Credit loan accounts to another of PARDA's members' account(s).

Obtain information that we make available on qualifying accounts.

Bill Payment Transactions

Make individual payment or preauthorized recurring payments from your checking or primary shares account to merchants you have designated in accordance with this disclosure.

TO OUR MEMBERS ACCESSING HOME BANKING AND BILL PAYMENT

You are responsible for all information you enter in conjunction with your account(s). We will correct your errors only in cases where no adverse effect will occur for us. Process time can take up to 5 days before payments are sent to merchants. You must designate participating merchants that you want to pay. We may change the merchant account information that you input if the designated merchant provides us with information that could expedite the payment. You are not permitted to designate any governmental agency or court. We reserve the right to refuse to allow you to designate any particular merchant or class of merchants. After 90 days of inactivity you may automatically be deleted from Home Banking/Bill Payment service.

LIMITS ON BILL PAYMENT AND/OR HOME BANKING TRANSACTIONS

You must have enough money or credit in any account you designate for payment or transfer. For security reasons we may limit the number or amount of transactions you can make using our Bill Payment Service. Payments may not be made for more than \$9,999.99 each.

WHEN BILL PAYMENTS ARE MADE

Bill payments may be processed up to 1 business day after you input your date instructions. You must have sufficient funds the business day before the payment is processed. We may send them electronically, by mail or by some other means. Each payment or transfer you initiate on a non-business day or after business hours will be considered initiated on the following business day. Our business hours are Monday through Friday excluding Holidays 8:30am-5:00pm Eastern Standard Time.

STOP PAYMENTS

Stop payments may not be available for individual or recurring payment(s) after they have been processed. You may place a stop payment through the appropriate function on our bill payment service any time prior to payment being made. Or you can call us at (800) 860-5640 or write us at P.O. Box 5010 Rochester, MI 48308-5010 so that we receive notification 3 business days prior to payment being processed. If you call we will also require you to put the notification in writing within 14 days after you call. We may not be able to accept stop payments requests after the transaction has been processed. If a stop payment is possible after the transaction has been processed, a \$15.00 fee will be charged your account for this service.

FOREIGN COUNTRY TRANSACTIONS

Residents living in a foreign country may not use Bill Payment Services. No payments may be made to merchants in foreign countries.

FEES

PARDA reserves the right to impose fees or charges in connection with any of the services described. If 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
4225 Napierville Road, Suite 125
Lisle, IL 60532