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Teachers Federal Credit Union Bill Payment Disclosure

1. INTRODUCTION

This Disclosure and Agreement governs use of TFCU's Bill Payment Services. By utilizing this service, you agree to the terms and conditions of this Disclosure and Agreement. Please read this Disclosure and Agreement carefully and print a copy for your records. The first time you access your account confirms your agreement to be bound by the Disclosure and Agreement and acknowledges your receipt and understanding of this Disclosure and Agreement. "We", "our", "us", and "TFCU" refer to Teachers Federal Credit Union and "you" and "your" refer to anyone authorized to sign checks or make withdrawals on your account(s).

2. PERSONAL IDENTIFICATION NUMBER (PIN)

Bill Payment Service: You must use your Online Banking Password to log onto our Bill Payment Service for the initial sign-on. You may continue to use this Password to access this service, or you may change your Password at any time. You agree not to give your Password to any person not authorized to access your account(s). Disclosing your Password, whether intentional or accidental, constitutes authorization for use by others; and you agree to be liable for their actions.

3. BUSINESS DAYS

You may use Bill Payment Service virtually any time, day or night, 7 days a week. However, Bill Payment Service may be temporarily unavailable due to TFCU's routine computer maintenance, or technical difficulties. In addition, access to Bill Payment Service is made available pursuant to a license agreement by and between TFCU and a third party provider of this service. Any interruption of service or access caused by the third party provider will also prevent your use of this service. To utilize the service, you will need to enter your assigned Password and otherwise satisfy the system's security procedures. Our regular business days for posting Bill Payment Service transactions to your account are Monday through Friday, except for holidays.

4. TRANSACTION PROCEDURES

Bill Payments may be processed in three different transaction modes. They are as follows:

A. "Today." If I designate a payment as a "Today" transaction, the scheduled initiation date will be due the next business day. However, sufficient funds must be available on the day and at the time I request the "Today" transaction. "Today" Bill Payments may not be canceled for any reason once I have ended a Bill Payment session, as funds are immediately deducted from my designated account.

B. "Future." If I designate a Bill Payment as a "Future" transaction, I may request that the transaction be made on a future date that I may designate, up to 364 days in advance of the Scheduled Initiation Date. The due date that I enter will be the date funds must be received by the recipient. Funds will be debited from approximately 2 - 7 business days in advance of the due date in order for the funds to be received by the party to which you intend them to be sent. "Future" transactions may be cancelled or changed until before the close of business of the day prior to the processing date of the Scheduled Initiation Date.

C. "Recurring." If I designate a Bill Payment as a "Recurring" transaction, I may request, and TFCU will use, a Scheduled Initiation Date that reoccurs on a specified regular basis (i.e.: weekly, biweekly, monthly, etc.). I will designate a "start" and "end" date. Sufficient funds must be available before the close of business of the day prior to the processing date of the Scheduled Initiation Date, but will be deducted from my Share Draft (Checking) account on the Scheduled Initiation Date. "Recurring" transactions may be canceled or changed until before the close of business of the day prior to the processing date of the Scheduled Initiation Date.

5. TRANSACTIONS AND LIMITATIONS

When you enroll in Bill Payment Service you are designating your TFCU Share Draft (Checking) Account as the account from which the payment that you authorize will be deducted. You will be given the ability to set up merchants, institutions or individuals that you would like to pay. Our payment policy excludes payments to government entities for the purpose of paying taxes, child support, fines, fees or other court appointed payments, collection agencies and payees outside of the United States. (Please note that payments to government entities for utility services such as water and sewer are permitted). Transfer of funds from a Share Savings or Money Market account to cover an overdraft in the Share Draft (Checking) account is permitted. The maximum number of monthly transfers from a Share Savings and Money Market account is limited by regulation to six, which includes paid checks, pre-authorized transfers, telephone transfers, and POS transactions. ATM transactions are not included in the six transactions. There is a maximum payment amount of \$9,999.99 on any one transaction, and only one payment to any Payee can be made within a 24 hour period.

You should allow at least 10 business days for merchants, institutions or individuals to receive your payment. For recurring payments, your payment will be sent to the merchant, institution or individual on the date you selected or the previous business day if that date is a weekend or holiday. If you do not allow sufficient time, you will assume full responsibility for all late fees, finance charges, or other actions taken by you, as the payee.

TFCU is responsible only for exercising ordinary care in making payments upon my authorization and for mailing or sending a payment to the designated payee. TFCU is not liable in any way for the damages you incur if you do not have sufficient funds in your account to make the payment on the processing date, or if the estimate of time to allow for delivery to the payee is inaccurate, or due

to delays in mail delivery, changes of merchant address or account number, the failure of any merchant to account correctly for or credit the payment in a timely manner, or for any other circumstances beyond the control of TFCU.

6. CREDIT UNION LIABILITY

If we do not complete a Bill Payment from your account on time or in the correct amount, we will be liable for your direct losses or damages, except:

- A. If there is a terminal or equipment failure of which you are made aware at the time you request a Bill Payment.
- B. If your telephone, PC, Internet Banking Service or TFCU's Bill Payment Service was not working properly and the equipment failure should have been apparent to you when you attempted to authorize a transaction.
- C. If you have not properly followed the TFCU Bill Payment instructions or have provided us with wrong or inaccurate information.
- D. If you fail to notify us of any inaccuracy in any merchant list that has been set up on your account.
- E. If you receive notice from a merchant or institution that any payment you have made through TFCU's Bill Payment Service remains unpaid, and you fail to notify us promptly of that fact.
- F. If the payee was a merchant or institution you are not permitted to designate.
- G. If you do not set up the payment soon enough for your payment to be received and credited by the payee due date.
- H. If the payee does not credit your payment promptly or properly after receipt.
- I. If, through no fault of ours, your account(s) does not contain enough money to make the payment.
- J. If the funds are subject to legal process or other restrictions.
- K. If the payment would go over the credit limit on an overdraft line-of-credit you may have.
- L. If circumstances beyond our control (such as fire or flood) prevent the payment, and we have taken reasonable precaution to avoid such circumstances.

7. NOTICE OF YOUR RIGHTS AND LIABILITIES

An unauthorized transfer is any transfer that you have not authorized, including loss or theft of your member identification number and/or Password. If you believe that someone has transferred or may transfer money from your account, without your permission, or if your account statement shows transfers you did not make, telephoning is the best way to inform us, and keeping your possible losses down. You could lose all of the money in your account (plus your maximum overdraft line-of-credit). If you tell us within two business days of your discovery of an unauthorized transfer, you will lose no more than \$50. If you DO NOT tell us within two business days of your discovery of an unauthorized transfer, you could lose as much as \$500.

Also, if your statement shows electronic transactions that you did not make, tell us at once. If you DO NOT tell us within 60 days after the first statement was mailed of any unauthorized transfer, 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 you believe your PIN has been lost or stolen or that someone has transferred or may transfer money from any of your accounts without your permission:

- A. Telephone TFCU at: (631) 698-7000, ext 0
- B. FAX TFCU at: (631) 696-0116
- C. Write us at: *Teachers Federal Credit Union Accounting Department*
P. O. Box 9029
Farmingville, NY 11738-9029

8. ACCOUNT INFORMATION DISCLOSURE

TFCU may disclose information to third parties about your account or transactions made:

- A. When it is necessary to complete transactions, or
- B. In order to verify the existence and condition of your account for a third party such as a credit bureau or merchant, or
- C. In order to comply with a government agency or court orders, or
- D. If you give written permission

9. STOP PAYMENTS

You may stop payment on TFCU Bill Payment transactions. If you wish to stop a payment to a merchant that has not yet been processed, you may simply cancel the payment through the TFCU Bill Payment system.

You may stop a payment that has been sent to a merchant via check and has not yet been cleared by the merchant in question.

There is a \$20.00 fee for these stop payments.

If a payment has been sent out to a merchant electronically, TFCU cannot stop these payments since the funds are sent directly to the merchant. If there is a problem with electronic payment, the member must contact the merchant for any type of resolution.

If a Stop Payment is determined to be necessary, the cutoff time for processing is 1:00 pm EST. Any requests initiated after 1:00 pm EST are processed on the following business day. All Stop Payment requests are subject to final verification from our clearing bank and cannot be guaranteed until verified.

10. SERVICE CHARGES

Bill Payer is FREE!

11. ERROR RESOLUTION

Telephone us at (631) 698-7000, extension 3685, or write us at:

Contact us as soon as you can if you think your statement is wrong, if you think that someone has transferred or may transfer money from your account without your permission, or if you need more information about a transfer listed on your statement. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error occurred. If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

A. Tell us your name and account number(s).

B. 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.

C. Tell us the dollar amount of the suspected error.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any error promptly by crediting your account within one (1) business day. If we need more time, however, we may take up to forty- five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days, so that you will have 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. If we determine that there was no error, we will send you a written explanation within three business days after we finish our investigation and remove the credit from your account.

12. CANCELLATION

If you do not access TFCU's Bill Payment Service for a period of three consecutive months, your access privileges will be canceled.

13. APPLICABLE LAW

Except to the extent that Federal law is controlling, your rights, our rights, and the terms of this Agreement will be governed in all respects by New York State law.

14. HOLD HARMLESS

You shall indemnify which includes payment of the credit union's attorneys' fees and court costs and hold harmless the Credit Union and/or its officers, directors, employees, successors, and assigned from and against any and all claims, demands, liabilities, causes of actions, complaints, awards and/or judgments for damages of any type and kind of any third party or entity which may arise or are connected with your use of the Service and/or the terms of this Disclosure and Agreement. This indemnification and hold harmless provision shall survive and be in full force and effect subsequent to the termination of this Disclosure and Agreement.

15. AMENDMENTS

From time to time, we may amend this agreement. If an amendment results in increased cost or liability to you, decreases the type of electronic funds transfers available to you, or places stricter limitations on the frequency or dollar amount of transfers, written notice of the amendment will be mailed to your current address as shown on our records at least 21 days before the effective date of the amendment. However, if an immediate change in terms or conditions is necessary to maintain or restore the security of an electronic funds transfer system or account, we will provide written notice of the change to you on the next periodic statement or within 30 days, unless disclosure would jeopardize the security of the system or account.