

# **USA PATRIOT ACT**

## **Electronic Funds Transfer Disclosure**

### **REGULATION E DISCLOSURE STATEMENT**

In this disclosure the words “you” and “your” mean the depositor. The words “we” or “us” mean ARC Federal Credit Union. Unless it would be inconsistent to do so, words and phrases used in this disclosure should be construed so that the singular includes the plural and the plural includes the singular.

As a consumer who uses electronic funds transfer (EFT) services, you have certain rights and responsibilities. These rights and responsibilities are defined by the Electronic Fund Transfer Act (15 U.S.C 1693, Et seq.) and Regulation E of the Federal Reserve Board. One requirement of this Act is that all financial institutions must make certain disclosures to all EFT users.

### **DISCLOSURE OF TYPES OF AVAILABLE TRANSFERS AND LIMITS ON TRANSFERS**

Our services allow you to ask that recurring deposits which you designate, such as Direct Deposit of Wages, Social Security Benefits, Pension Payments, Dividend Payments and similar regular payments be deposited directly into your:

\* Share Account, Share Draft Account, Money Market Account

In addition, it may be possible to arrange with some merchants, insurance companies, banks, credit unions, and other thrift institutions, to have your recurring bills paid automatically (a debit to your account) from your:

\* Share Account, Share Draft Account, Money Market Account

There is no limitation on the dollar amount of any of the electronic funds transfers that you can make with us.

There is no limitation on the frequency of electronic funds transfers when they are deposits as listed above. There are no limitations on the frequency of electronics funds transfers when they are a transfer of funds (a debit) as listed above, with the exception of third party transfers out of a Money Market Account.

Only 3 third party electronic funds transfers per month can be made out of your Money Market Account. (The 3 third party electronic transfers per month that are allowed are reduced by each share draft, debit card transaction or similar order that affects the Money Market Account during the same monthly period.)

Transfers from a savings account (ask us which of the above accounts are classified as share accounts) to another account or to a third party via preauthorized or telephone transfer are limited to 3 per monthly period.

### **DISCLOSURE OF WHAT CONSTITUTES BUSINESS DAY OF INSTITUTION**

Our business days are Monday through Saturday, excluding Holidays.

### **DISCLOSURE OF CHARGES APPLICABLE TO TRANSFERS**

Please refer to our current fee schedule. We reserve the right to change our fee schedule from time and to charge your account in accordance with the fee schedule that will be provided to you at least thirty (30) days prior to assessment or change in assessment.

### **NOTICE REGARDING ATM FEES BY OTHERS**

If you use an automated teller machine that is not operated by ARC Federal Credit Union, you may be charged a fee by the operator of the machine and/or by an automated transfer network.

### **ELECTRONIC FUNDS TRANSFER INITIATED BY THIRD PARTIES**

You may authorize a third party to initiate electronic fund transfer between your account and the third party’s account. These transfers to make or receive payments may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearinghouse (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of their policy. In all cases, the transaction will require you to provide the third party with you account number and bank information. This information can be found on your share draft as well as on a deposit slip. Thus, you should only provide

your financial institution and account information (whether over the phone, the Internet, or by some other method) to trusted third parties whom you have authorized to initiate these Electronic Fund transfers.

Examples of these transfers include but are not limited to:

**Electronic check conversion.** You may provide your check to a merchant or service provider who will scan the check for the encoded financial institution and account information. The merchant or service provider will then use this information to may occur the point of purchase, or when you provide your check by the other means such as by mail or by drop box.

**Electronic returned check charge.** Some merchants or service providers will initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds.

## **DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES**

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

- \* Where it is necessary for completing transfers
- \* To verify the existence and condition of your account for a third party, such as a credit bureau or merchant
- \* In accordance with your written permission
- \* In order to comply with court orders or government or administrative agency summonses, subpoenas, orders, examinations and escheat reports
- \* On receipt off certification from a federal agency or dept. that a request for information is in compliance with the Right Financial Privacy Act of 1978.

## **DISCLOSURE OF RIGHT TO RECEIVE                      DOCUMENTATION OF TRANSFERS**

If you have arranged to have direct deposits made to your account from the same person or organization, or any transfers made from your account, at least once every 60 days, you may call us at the phone number listed at the end of this disclosure to verify that the transfer was made.

**Share Account/Share Draft Account.** If the Direct Deposit was made or if a transfer was made to or from either one of these account, the transactions will appear on your monthly statement. (Could be a quarterly statement if there were no transactions for the month).

## **DISCLOSURE OF RIGHT TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS, PROCEDURE FOR DOING SO, AND FINANCIAL INSTITUTION'S LIABILITY FOR FAILURE TO STOP PAYMENT.**

- (A) **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how: Put your request in writing at least 3 days before payment is scheduled to be withdrawn.
- (B) **Notice of varying amounts.** 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 amount would fall outside certain limits that you set).
- (C) **Liability for failure to stop payment of preauthorized transfer.** 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.

## **CONSUMER LIABILITY FOR UNAUTHORIZED TRANSFERS AND ADVISABILITY OF PROMPT REPORTING**

Tell us at once if you believe your code has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (and your maximum overdraft line of credit, if you have one). If you believe that your code has been lost or stolen, and you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50.00 is someone used your code without permission. If you do not tell us within two business days after you learn of the loss or theft of your code, you could lose as much as \$500.00. If your statement shows transfers that you

did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, or the transfer was recorded in your register, 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 told us in time. If a good reason (such as long trip or hospital stay) kept you from telling us, we will extend the time periods.

**TELEPHONE NUMBER AND ADDRESS TO BE NOTIFIED IN EVENT OF UNAUTHORIZED TRANSFER**

If you believe that someone has transferred or may transfer money from your account without your permission, call us at the phone number or write to us at the address listed at the front of this disclosure.

**DISCLOSURE OF INSTITUTION'S LIABILITY FOR FAILURE TO MAKE TRANSFERS**

- If we do not complete a transfer to or from your account 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 to make the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- IF WE DO NOT RECEIVE FUNDS OR ADVICE OF FUNDS FROM THE PAYING AGENT.
- The transaction you requested would exceed any available overdraft credit.
- If the funds in your account are subject to legal process or other encumbrance restricting the use of the funds.
- If we have limited or refused to complete transactions for security reasons.
- There may be other exceptions stated in our agreement with you.

**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS**

Call us at the phone number or write us at the address listed at the beginning of this disclosure as soon as you can, if you think your statement, receipt or register is wrong or if you need more information about a transfer listed on the statement, receipt or register. If the problem or error is with a Share Account, we must hear from you no later than 60 days after we sent the FIRST statement on which the problem or the error appeared. If the problem or error is with the Share Draft Account, we must hear from you no later than 60 days after we record the transaction in your register.

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

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, for most errors may take up to 45 days to investigate your complaint or question. If you believe that the error was the result of a foreign initiated transfer or point of sale transaction, or if you have not been an accountholder with us for more than 30 days, we may take up to 90 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you claim is in error, unless you have not been an accountholder for at least 30 days, in which case we will credit your account within 20 business days for the amount that you claim 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 do not receive it within 10 business days, we may not credit your account. We will tell you the result within 3 business after completing 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.

**USA PATRIOT ACT**

The USA PATRIOT Act requires credit unions to take extra security precautions to help the government fight the funding of terrorism and money laundering activities. Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. These new procedures are designed to prevent crimes, such as identity theft and account fraud that terrorists commit to finance their operations against the U.S. and its citizens.

**Your Understanding and Cooperation Are Appreciated.**

When an account is opened or changed, you will be asked for your name, address, date of birth, and other information that will allow us to identify you. We will ask to see your driver's license or other identifying government issued documents. The definition of an account covers a broad range of regular financial transactions such as deposit, transaction, asset, or credit accounts or other extension of credit. The required verification may be inconvenient for some but a strong deterrent for terrorists and other criminals.

You can rest assured that we will only request the information required by the law...and that we will use the information only for purposes of complying with the law. Your privacy is our top concern, and we will respect and protect it as always, consistent with the law's requirements.

Thanks for your understanding and help in this critical effort. The war on terrorism will be fought on many fronts, and this is one of them.