

Electronic Services Agreement



PO Box 98979
Lakewood, WA 98496
Tel. (253) 584-0079 • 1-800-244-0874
Fax (253) 581-5035
www.americanlake.org

This Agreement is the contract, which covers your and our rights and responsibilities concerning the Electronic Services including: (Online Banking), Bill Pay, Debit MasterCard®, Audio Response and Direct Deposit services (collectively "Electronic Services") offered to you by American Lake Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who enroll for any of the Electronic Services and any authorized users. In this Agreement the words "we" and "us" and "our" and "ours" mean American Lake Credit Union. The word "account(s)" means any one or more savings, checking and loan accounts you have with the Credit Union and ("EFT") means all electronic services. By submitting an electronic services approved enrollment, you agree to the following terms governing your and our rights and responsibilities concerning the Electronic Services provided to you.

The terms of this Agreement apply to both consumer and business members, except as specifically provided in this Agreement. For consumer accounts, the primary account holder may enroll in the Electronic Services and is responsible for the acts of any joint account holder. Anyone enrolling represents that he or she is the primary account holder and is authorized to enroll in the service. Anyone using Electronic Services represents that he or she has full authority to use the Services and to engage in any action taken by him or her. Any joint account holder or an authorized user, acting alone, may affect transactions through the Electronic Services.

1. Online Banking Online Banking

Upon approval, you may use a computer to access your accounts with the online banking service. You must use your member username along with your security code ("Password") to access your accounts. Online Banking is accessible seven (7) days a week. This service may be unavailable during brief maintenance periods. To access this service you will need a personal computer and a web browser (such as Google Chrome, Firefox, Safari, etc.). The online address for Online Banking is <http://www.americanlake.org>. You are responsible for the installation, maintenance and operation of your computer and modem. The Credit Union will not be responsible for any errors or failures involving any telephone service or your computer, browser, internet provider, etc.

a. *Online Banking Transactions.* At the present time, you may use Online Banking to:

- Transfer funds between your savings, checking and Money Market accounts.
- Withdraw funds from your savings, checking and Money Market accounts.
- Make loan payments from your savings, checking and Money Market accounts.
- Obtain account balance and transaction history on your savings, checking and Money Market accounts.
- Obtain information on your loan account balance, transaction history, payment due dates, loan payoff amounts and finance charges.
- Review available copies of cleared checks eStatements and tax information.
- Make bill payments from your checking account using the Bill Pay e-plus service.

Transactions involving your savings and checking accounts will be subject to the terms of your Membership and Account Agreement. Transactions involving your loan accounts will be subject to your applicable Loan Agreement and Disclosures.

b. *Online Banking Service Limitations & Requirements.* The following limitations and requirements on Online Banking transactions may apply:

i. *Transaction Authorization.* You authorize us to debit your account for any transactions processed through Online Banking or other Electronic Service, and for any fees incurred. You authorize us to initiate any reversing entry or reversing file, and to debit your accounts at the Credit Union or elsewhere, in order to correct any erroneous transaction. You agree to cooperate with any action to reverse a transaction that was made in error and to offset any benefit you receive against any loss we suffer.

ii. *Transfers.* You may make transfers between accounts of yours as often as you like. You may transfer or withdraw up to \$300 or the available balance in your account subject to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan agreements. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction and you will be notified of those limits.

iii. *Account Information.* The account balance and transaction history may be limited to recent account information. Availability of funds for transfer or withdrawal may be limited due to the processing time required for ATM deposit transactions and our Funds Availability Policy.

2. Bill Pay Services.

When you apply for bill payment service ("Bill Pay") you must designate your checking account as the account from which payments 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. You are not permitted to designate governmental agencies or courts. All payees must be in the United States. We reserve the right to not allow the designation of a particular merchant or institution.

a. *Bill Pay Transactions.*

You authorize us to process Bill Pay transactions from your checking account. You or any persons who you have authorized to use your Bill Pay service or Password can perform the following Bill Pay transactions:

- *Make Bill Payments.* Pay any designated merchant, institution or individual in accordance with this agreement, a fixed recurring amount or a variable amount from your designated checking account.
- Obtain Information. Obtain information (payee information, payment status information, etc.) about your bill payment account status.
- *Bill Pay Payment Transactions.* You authorize us to process bill payments from your designated account. You may use the Bill Pay service to initiate different types of payment transactions.

i. Payment Transactions. You may use Bill Pay to initiate single or recurring bill payment transactions. Single payments are payments initiated today with today's transfer date. Payments can be canceled or changed through Bill Pay until payments begin processing from the account. Recurring payments are payments that reoccur on a preset date with a fixed amount. You have the option in Bill Pay to set recurring payments to continue indefinitely or to stop on a specific date. Payments can be canceled or changed through Bill Pay until funds are withdrawn from the account.

ii. Number and Authorized Payees. There is no limit on the number of payments or payees you may authorize. You may not make payments to federal, state or local governments or other categories of payees we designate from time to time. When you submit a Bill Pay transaction, you authorize us to transfer funds from your checking account. We will process Bill Pay transactions only to those payees the Credit Union has designated, payees you authorize and payees for whom the Credit Union has the proper payee member number. The Credit Union will not process any Bill Pay transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to process the Bill Pay transaction, we may refuse to process the transaction or we may process the transaction and transfer funds from any overdraft protection account you have authorized. The Credit Union reserves the right to refuse to process transactions that reasonably appear to the Credit Union to be fraudulent or erroneous.

b. *Processing Bill Pay Transactions.*

The amount of your requested bill payment will be deducted from your account on the Scheduled Payment Date. A maximum dollar limit of \$10,000 per transaction applies. You must have sufficient funds available to cover your payment on the Scheduled Payment Date. It is your responsibility to schedule your Bill Pay transactions in such a manner that your obligations will be paid on time. You should enter and submit your Bill Pay transactions at least ten (10) business days prior to the payment due date. If you do not allow sufficient time, you assume full responsibility for any late payments and/or finance charges that may be imposed as a result of your failure to submit a timely Bill Pay transaction. You will be notified if a payment fails, and the bill payment service will automatically attempt to retry the payment on the next business day. If the payment is successful on the next day, you will not be notified again. If the payment fails on the retry, you will be notified a second time. The Credit Union will not process any Bill Pay transfer if we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for providing or entering. If there are insufficient funds in your account to make the Bill Pay request, the payment will not be processed. The Credit Union reserves the right to refuse to process payment instructions that reasonably appears to the Credit Union to be fraudulent or erroneous.

c. *Canceling or Changing Bill Pay Transactions.*

Payments designated as single transactions cannot be stopped, canceled or changed once payments begin processing from the account. You may cancel recurring Bill Pay transactions by following the Bill Pay instructions. If you discover an error or want to change a transaction (i.e. payment date or payment amount) for a Bill Pay transaction you have already submitted, you may electronically edit or cancel your transaction through Bill Pay. Your cancellation or change request must be submitted through Bill Pay before the payment is withdrawn from the account. If your transaction is not canceled in a timely manner, you will be responsible for the payment. If you wish to place a verbal stop payment on a recurring Bill Pay transaction, the Credit Union must receive your verbal stop payment request at least three (3) business days before the Scheduled Payment Date. You may call the Credit Union to request a stop payment. If you call the Credit Union, you may be required to confirm your stop payment request in writing within 14 days after the call.

3. Debit MasterCard® Transactions

You may use your Debit MasterCard® (Card) and Personal Identification Number (PIN) in automated teller machines of the Credit Union; Cirrus and STAR Networks; and such other machines we may designate. You may use your Debit MasterCard® to purchase goods and services any place your Card is honored by participating merchants, including Point of Sale (POS) terminals within the Cirrus and STAR Networks or such other POS terminals as the Credit Union may designate. Funds to cover your Card purchases will be deducted from your checking account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request pursuant to the Overdraft Service or may terminate all services under the Agreement. At the present time, you may use your card to make the following transactions on your accounts:

- Withdraw cash from your savings, or checking accounts.
- Transfer funds between your savings, checking accounts, and money market accounts.
- Obtain account balance information on savings, checking and money market accounts.
- Make loan payments from savings or checking accounts.
- Make deposits to your savings or checking accounts at Credit Union ATMs and selected Network ATMs.

There is a limit of 5 cash withdrawals you may make at Credit Union ATMs and nonproprietary ATMs per day. However, you may be charged a fee as set forth in the Rate and Fee Schedule. You may withdraw up to \$300 (if there are sufficient funds available in your account) per business day at any authorized ATM, subject to security requirements and limits placed by each individual ATM. You may transfer between your share, savings or checking accounts up to the balance in your accounts at the time of the transfer at available locations. There is a limit of 15 Card purchases per day up to an aggregate of \$9,999.99 per day.

There is a limit of 10 POS purchase transactions you may make by Card during a statement period. You may make purchase amounts up to a maximum of \$1,500 per day. You may make up to 5 cash withdrawals up to an aggregate of \$300 (if there are sufficient funds available in your account) per day at any authorized ATM, subject to security requirements and limits placed by each individual ATM. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set security requirements and other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds.

4. Audio Response

If we approve the Audio Response Service for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time you may use the Audio Response Service to:

- Withdraw funds from your savings, checking, loan, and money market accounts.
- Transfer funds from your savings, checking, loan and money market accounts.
- Obtain balance information for your savings, checking, Money Market, Club and Certificate accounts.
- Make loan payments from your savings, checking and Money Market accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on savings and checking accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.

Your accounts can be accessed under the Audio Response Service via a touch tone telephone only. Audio Response Service will be available for your convenience twenty-four (24) hours per day. This service may be interrupted for a short time each day for data processing.

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day.
- No transfer or withdrawal may exceed the available funds in your account.

The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each telephone call.

5. Preauthorized Electronic Funds Transfers and Direct Deposit

Preauthorized electronic funds transfers may be made into or from your Credit Union accounts. These may include preauthorized electronic funds transfers made to an account from a third party (such as Social Security or your employer) or from an account to a third party (such as a mortgage company or insurance premium payment, excluding bill payment transactions). If electronic funds transfers are made into or from your account, those payments may be affected by a change in your account status or if you transfer or lose your account. Upon instruction of (i) your employer, (ii) the Treasury Department, or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security.

6. Security of Access Code (Password)

The access code is your Password you select for your security. Your Password is confidential and should not be disclosed to third parties or recorded. You are responsible for safekeeping your Password. You agree not to disclose or otherwise make your Password available to anyone not authorized by you to sign on your accounts. If you authorize anyone to have or use your Password, you understand that person may use the Online Banking or Bill Pay service to access and review all of your account information and execute account transactions. Therefore, we are entitled to act on transaction instructions received using your Password and you agree that the use of your Password will have the same effect as your signature authorizing transactions. If you authorize anyone to use your Password in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the Credit Union and changing your Password immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your Password is changed. If you fail to change your Password or maintain the security of your Password and the Credit Union suffers a loss, we may terminate your electronic services immediately.

7. Member Liability

You are solely responsible for all transfers you authorize using any Services under this Agreement. If you permit other persons to use your Password or access code and initiate transactions with this Service, you are responsible for any transactions they authorize or conduct on any of your Accounts. For EFT transactions on a consumer deposit account, under this Agreement, you are responsible for all transactions you authorize using Online Banking, Bill Pay, External Transfer services. For consumer Accounts, transactions by family members or friends that you allow on your Account are authorized by you. If you permit other persons to use your Password, you are responsible for any transactions they authorize or conduct on any of your accounts. However, you must notify us immediately if you believe anyone has used your Password and accessed your accounts without your authorization. For EFT transactions, if you notify us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not notify us within two (2) business days after you learn of the unauthorized use of your account or Password, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500.

If your statement shows EFT transactions that you did not make, notify us immediately. If you do not notify us within sixty (60) days after the statement was mailed or electronically delivered to you, you may be liable for the full amount of the loss if we can prove that we could have stopped someone from making the unauthorized EFT transactions. If a good reason (such as a hospital stay) kept you from notifying us, we may extend the time period.

If you believe your Password has been lost or stolen or that someone has transferred or may transfer funds from your account without your permission, contact us immediately by one of the following:

Telephone: (253) 584-0079 or 1-800-244-0874

In person at one of the American Lake Credit Union branches.

Mail: American Lake Credit Union, PO Box 98979, Lakewood, WA 98496.

8. Business Days.

Our business days are Monday through Friday, excluding federal holidays.

9. Fees and Charges.

Fees and charges may be changed from time to time, as disclosed on our current rate and fee schedule. We will notify you of any changes as required by law. The following fees and charges apply to your electronic services:

a. *Debit MasterCard®.*

- We do not charge for any ATM withdrawals at the present time.
- We do not charge for any POS transactions at the present time.
- Replacement card fee - \$10.00 per card
- Nonsufficient funds (NSF) fee - \$30.00 per transaction for which the available balance is not sufficient for the transaction
- Courtesy Pay Fee - \$30.00 per transaction for which the available balance is not sufficient for the transaction

b. *Preauthorized EFT Fees.*

- Nonsufficient funds (NSF) fee - \$30.00 per transaction for which the available balance is not sufficient for the transaction
- Courtesy Pay Fee - \$30.00 per transaction for which the available balance is not sufficient for the transaction

c. *Bill Pay Service Fees.*

- Nonsufficient funds (NSF) fee - \$30.00 per transaction for which the available balance is not sufficient for the transaction
- Courtesy Pay Fee - \$30.00 per transaction for which the available balance is not sufficient for the transaction

10. Transaction & Account Information

a. *Statement Information.* Transactions submitted through Online Banking, Bill Pay, and MasterCard® services will be recorded on your monthly statement sent to you by mail or eStatements if you have requested e-statements.

b. *Direct Deposits.* If you have arranged to have a direct deposit made to your account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by contacting the Credit Union as set forth above.

c. *Account Information Disclosure.* We will maintain the confidentiality and privacy of your account information in accordance with our Privacy Policy as stated on our website at www.americanlake.org. However, we may disclose information to third parties about your account or the transactions you submit in the following limited circumstances:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- To comply with government agencies or court orders;
- If you give us your express written permission.

11. Preauthorized Electronic Fund Transfers

a. *Cancellation Rights.* If you have authorized the Credit Union to originate regular electronic fund transfers from (or to) your account at the Credit Union, you or the Credit Union may cancel that request at any time up to three business days before the scheduled date of the transfer. This request may be made orally or in writing. If you order us to cancel 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 only if accurate information was provided to us.

b. *Notice of Varying Amount.* If these regular payments may vary in amount, the company you are going to pay will tell you ten (10) days before each payment when it will be made and how much it will be.

c. *Liability.* The Credit Union may charge a fee for each stop payment order requested, as set forth in the Rate and Fee Schedule. If payment of an item is stopped, you may remain liable to any person, including the Credit Union, who is the holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

12. Credit Union Liability for Electronic Services

If we do not complete a transaction 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. Our sole responsibility for an error in a transaction will be to correct the error and in no case will we be liable for any indirect, special, incidental, or consequential damages. In states that do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable for the following:

- If, through no fault of ours, you do not have sufficient funds in your account to complete the transaction, your account is inactive, or the transaction would exceed the credit limit on your line of credit, if applicable.
- If you used the wrong account or Password, you have not properly followed any applicable service or Credit Union user instructions for making Online Banking or Bill Pay transactions.
- If your personal computer malfunctioned or the phone lines were not working properly, or the Credit Union computer system was not working properly and such problem(s) should have been apparent when you attempted your transaction.
- If circumstances beyond our control (such as fire, flood, telecommunication outages or strikes, equipment or power failure) prevent making the transaction.
- If the funds in your account are subject to an administrative hold, legal process or other claim.
- If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process the transaction.
- If, through no fault of ours, an Online Banking or Bill Pay transaction does not reach a particular payee due to changes in the payee address, account number or otherwise; the time you allow for payment delivery was insufficient; payment is lost in the mail or the payee failed to process a payment correctly or in a timely manner and a fee, penalty, or interest charge is assessed against you.
- If an error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet Service Provider, any computer virus or problems related to software not provided by the Credit Union.
- If there are other exceptions as established by the Credit Union.

13. Termination of Electronic Services

You agree that we may terminate this Agreement and your Online Banking or Bill Pay services, if you, or any authorized user of EFT services or Password breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your accounts or Password. In addition, we reserve the right to terminate the service if you fail to use the service for more than two consecutive billing cycles. You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. However, monthly fees will apply for any partial month with no prorating. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

14. Statement Errors on Consumer Accounts

In case of errors or questions about your EFT transactions, contact us at the phone number or address set forth above as soon as possible. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- Tell us your name and member number.
- Describe the transaction 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 ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety (90) calendar days for new account transaction errors, or errors involving transactions

initiated outside the United States). If we decide to do this, we will re-credit your account within ten (10) business days 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 re-credit your account.

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

15. Amendments

The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will notify you, by mail, at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

16. Enforcement

You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. This Agreement shall be governed by and construed under the laws of the state of Washington as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled to, subject to Washington law, payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. Should any one or more provisions of this Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable and such modification shall not affect any other provision of this Agreement.