

## **SOUTH METRO FEDERAL CREDIT UNION HOME BANKING SERVICE AGREEMENT AND DISCLOSURE**

**You have read the Agreement and Disclosure displayed and agree to the terms and conditions.** This South Metro Federal Credit Union Home Banking Service Agreement and Disclosure ("**Agreement**") is the contract which covers your and our rights and responsibilities concerning the South Metro Federal Credit Union Home Banking Service offered to you by South Metro Federal Credit Union ("**SMFCU**"). The South Metro Federal Credit Union Home Banking Service permits you to electronically initiate account transactions involving your accounts and communicate with SMFCU. This Agreement and Disclosure describes the Electronic Funds Transfer (EFT) services and the terms for using them. **Please read and retain with your records.**

In this Agreement, the words "you", "your" and "yours" mean those who request and use South Metro Federal Credit Union Home Banking Service, any joint owners of accounts accessed under this Agreement or any authorized users of this service. The words "we," "us," and "our" mean SMFCU. The word "account" means any one or more accounts you have with SMFCU. By requesting and using the South Metro Federal Credit Union Home Banking Service, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any amendments.

### **SOUTH METRO FEDERAL CREDIT UNION HOME BANKING SERVICE**

Our Internet address is <http://www.southmet.com/>

**Account Access** - If we approve your application for the South Metro Federal Credit Union Home Banking Service, you may use your personal computer to access your accounts. You must use your Member Account Number and your ART-24 Teller Personal Identification Number (PIN). The South Metro Federal Credit Union Home Banking Service is normally accessible seven (7) days a week, twenty-four (24) hours a day with the exception of short periods for scheduled maintenance and/or upgrades. You will need a personal computer, direct dial modem and access to the Internet (World Wide Web). You are responsible for the installation, maintenance and operation of any software and your computer. SMFCU will not be responsible for any errors or failures involving any telephone service, Internet service, software installation or your computer.

**Types of Transactions** - At the present time, you may use the South Metro Federal Credit Union Home Banking Service to:

- Transfer funds between your checking, savings and loan accounts.
- Review account balance, transaction history and tax information for any of your checking, savings or loan accounts.
- Download your account information to financial management software programs like Quicken® or Microsoft® Money, if applicable.
- When implemented, make bill payments to a person or business (payee), review bill payment history and make scheduled bill payment changes if you have separately applied for the Bill Payment Service.
- Conduct other transactions permitted by SMFCU.
- Communicate with SMFCU using the electronic mail ("E-mail") feature.

Transactions involving your deposit accounts, including checking account stop payment requests, will be subject to the terms of your account agreement and transactions involving a line of credit account will be subject to your loan agreement and disclosures, as applicable.

**Transfer and Service Limitations** - The following limitations on South Metro Federal Credit Union Home Banking Service transactions may apply in using the services listed above.

- A. Transfers** - There is no limit on the number of transfers from your savings accounts if they are made in person by ATM, or by mail. However, transfers from savings accounts will be limited to a total of six (6) in any one month.

**Federal Regulations limit transfers from your share savings account to no more than six (6) transfers per calendar month if the transfer is to another of your SMFCU share accounts or to a third party by means of pre-authorized, automatic, telephonic, POS transaction, or internet instruction.**

You may transfer or withdraw up to the available balance in your account or up 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. SMFCU 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.

- B. Account Information** - The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to our Funds Availability Policy.
- C. E-Mail** - SMFCU may not immediately receive E-mail communications that you send and SMFCU will not take action based on E-mail requests until SMFCU actually receives your message and has a reasonable opportunity to act. If you need to contact SMFCU immediately regarding an unauthorized transaction or stop payment request, you may call SMFCU at the telephone number set forth in the Liability for Unauthorized Access section.
- D. Bill Payments** - Upon implementation by SMFCU of the Bill Payment Module, and acceptance of your enrollment, you may authorize new payment instructions or edit previously authorized payment instructions for bill payments that are either recurring payments or one-time payments. When you transmit bill payment instructions to us, you authorize us to transfer funds to make the bill payment transaction from the SMFCU checking account you designate. We will process bill payment transfer requests only to those payees designated in SMFCU's User Instructions and such payees as you authorize and for whom SMFCU has the proper vendor code number.

SMFCU will not process any bill payment transfer if the required transaction information is incomplete. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. SMFCU reserves the right to refuse to process payment instructions that reasonably appear to SMFCU to be fraudulent or erroneous. SMFCU will withdraw the designated funds from your account for the bill payment transfer by midnight on the date you schedule for payment or the previous business day if the selected date is a weekend or holiday. It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time.

**You understand that payments may take up to ten (10) days by check or two (2) days by ACH to reach the payee.** SMFCU is not liable for the failure of payments to reach their destination, or any finance charges, service fees, or late charges levied against you. You may cancel or stop payment of periodic and automatic bill payment instructions under certain circumstances. If you discover an error in or want to change a payment instruction (i.e. payment date or payment amount) for a periodic or automatic bill payment you have already scheduled for transmission through South Metro Federal Credit Union Home Banking Service, you may electronically edit or cancel your payment request through South Metro Federal Credit Union Home Banking Service. Your cancellation request must be entered and transmitted through South Metro Federal Credit Union Home Banking Service before the date you have scheduled for payment. If your request is not timely entered, you will be responsible for the payment.

If you wish to place an oral stop payment on an automatic bill payment transaction not using South Metro Federal Credit Union Home Banking Service, SMFCU must receive your oral stop payment request at least three (3) business days before the next payment is scheduled to be made. You may call SMFCU at the telephone number set forth in the Liability for Unauthorized Access section

to request a stop payment. If you call, SMFCU may require you to confirm your stop payment request in writing within fourteen (14) days after the call and SMFCU may charge a fee for each request. If you place an oral stop payment request at least three (3) business days before the payment is scheduled, and we fail to stop the payment, we will be liable for your actual losses or damages.

- E. Payee Restrictions** - The Bill Payment Service reserves the right not to pay any person or entity you may direct a payment in which event you will be promptly notified. You may not attempt payment to any government agency (i.e. tax or child support), to any person or entity anywhere outside of the United States, or for any fraudulent purposes.

**SECURITY OF ACCESS CODE** - Access to your accounts requires utilization of your Member Account Number and a Personal Identification Number as well as other information and in combination constitutes your access code ("Access Code"). Your Access Code is confidential and issued only to you. Your Access Code should not be disclosed to third parties or recorded. You are responsible for safekeeping your Access Code. You may change your Access Code at any time. You agree not to disclose or otherwise make your Access Code available to anyone not authorized to sign on your accounts. If you authorize anyone to use your Access Code, that authority shall continue until you specifically revoke such authority by notifying SMFCU. If you disclose your Access Code to another person, whether it is intentional, accidental, or negligent action, you are responsible for any such action. If you fail to maintain the security of these Access Codes and SMFCU suffers a loss, we may terminate your South Metro Federal Credit Union Home Banking Service and account services immediately. You waive all present and future claims against SMFCU and release SMFCU from all responsibility for loss or damage not caused by SMFCU's negligence which you might incur through unauthorized transactions of any kind from your account(s) through the custody or use of your PIN or Access Code.

**LIABILITY FOR UNAUTHORIZED ACCESS** - You are responsible for all transfers and bill payments you authorize under this Agreement. If you permit other persons to use the South Metro Federal Credit Union Home Banking Service or your Access Code, you are responsible for any transactions they authorize or conduct on any of your accounts. However, tell us at once if you believe anyone has used your access code or accessed your accounts through South Metro Federal Credit Union Home Banking Service without your authorization. Telephoning is the best way of keeping your possible losses down. If you tell us within two (2) business days, you can lose not more than fifty dollars (\$50.00) if someone accesses your accounts without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or Access Code, 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 five hundred (\$500.00). In any event your liability for unauthorized line of credit transactions through South Metro Federal Credit Union Home Banking Service is fifty dollars (\$50.00).

Also, if your statement shows South Metro Federal Credit Union Home Banking Service transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty days (60) if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we may extend the time periods.

If you believe that unauthorized access has occurred or someone has used your Access Code or has transferred or may transfer money from your account without your permission, **call SMFCU at: 952-445-0888 or E-mail us at: [memberservice@southmet.com](mailto:memberservice@southmet.com)** or write SMFCU at:

South Metro Federal Credit Union  
2573 Credit Union Drive  
Prior Lake, MN 55372

**BUSINESS DAYS** - Our business days are Monday through Friday, excluding Federal holidays. **FEES AND CHARGES** - There are certain charges for South Metro Federal Credit Union Home Banking Service as set forth on SMFCU's Fee Schedule. From time to time, the charges may be changed. We will notify you of any changes as required by law.

**PERIODIC STATEMENTS** - Transfers, withdrawals, and bill payments transacted through South Metro Federal Credit Union Home Banking Service will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly. Additionally, through South Metro Federal Credit Union Home Banking Service, you can view all your share savings and checking transaction activity at any time.

**ACCOUNT INFORMATION DISCLOSURE** - We will disclose information to third parties about your account or the transfers you make:

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

**SMFCU'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 and the instructions you transmit, we will be liable for your actual losses or damages. However, SMFCU will not be liable:

- If, through no fault of ours, you do not have adequate funds in your account to complete a transaction, your account is closed, or the transaction amount would exceed your credit limit on your line of credit, if applicable.
- If you used the wrong access code or you have not properly followed any applicable computer, Internet Access, or SMFCU user instructions for making transfer and bill payment transactions.
- If your computer fails or malfunctions or the South Metro Federal Credit Union Home Banking Service was not properly working and such problem should have been apparent when you attempted such transaction.
- If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.
- If the funds in your account are subject to an administrative hold, legal process, such as garnishment, levy, attachment, or other claim.
- If you have not given SMFCU complete, correct and current instructions so SMFCU can process a transfer or bill payment.
- If the error was caused by a system beyond SMFCU's control, such as your Internet Service Provider.
- If you fail to notify us of any inaccuracy in any merchant list that has been set up on your account or if you receive notice from a merchant or institution that any payment you have made through the Bill Payment Service remains unpaid and you fail to notify us promptly of that fact.
- If the payee was a merchant or institution that you are not permitted to designate.

**TERMINATION OF SOUTH METRO FEDERAL CREDIT UNION HOME BANKING SERVICE** - You agree that we may terminate this Agreement and your use of the South Metro Federal Credit Union Home Banking Service if you or any authorized user of your account or Access Code breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your account or Access Code.

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, termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

**NOTICES** - SMFCU reserves the right to change the terms and conditions upon which this service is offered. SMFCU will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of the South Metro Federal Credit Union Home Banking Service is subject to existing regulations governing your accounts and any future changes to those regulations.

**BILLING ERRORS** - In case of errors or questions about your South Metro Federal Credit Union Home Banking Service transactions, telephone us at the phone number or write to us at the address set forth above in the Liability for Unauthorized Access section as soon as you can. 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 account 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 orally, we may require that you send us your complaint or question in writing within ten (10) calendar days. We will determine whether an error occurred within ten (10) business days after we hear from you and we will correct any error promptly. 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 for the amount you think is in error, so that you will have the use of the funds 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.

We will tell you the results within three (3) business days 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.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the applicable time periods for action shall be twenty (20) business days in place of ten (10) business days. If a notice of error involves an electronic fund transfer that was initiated in a foreign country or occurred within thirty (30) days after the first deposit to the account was made, the applicable time period for action shall be ninety (90) calendar days in place of forty-five (45) calendar days.

**ENFORCEMENT** - You agree to be liable to SMFCU for any liability, loss, or expense as provided in this Agreement that SMFCU incurs as a result of any dispute involving your accounts or services. You authorize SMFCU to deduct any such liability, loss, or expense from your account without prior notice to you. 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, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, or any post-judgment collection actions, if applicable.

**GOVERNING LAW** - This Agreement shall be governed by and construed in accordance with all applicable federal laws and all applicable substantive laws of the State where you opened your account, and the Bylaws of the Credit Union as they now exist or may be hereafter amended. You understand that we must comply with these laws, regulations, and rules. You agree that if there is any inconsistency between the terms of the Agreement and any applicable law, regulation, or rule, the terms of this Agreement will prevail to the extent any such law, regulation, or rule may be modified by agreement between us.