

- c. Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

- 13. **Financial institution's liability.** 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 may be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:
 - a. If, through no fault of ours, you do not have enough money in your account to make the transfer.
 - b. If the transfer would go over the credit limit on your overdraft line.
 - c. If the automated teller machine where you are making the transfer does not have enough cash.
 - d. If the terminal system was not working properly and you knew about the breakdown when you started the transfer.
 - e. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
 - f. There may be other exceptions stated in our agreement with you.
- 14. **Reversing "Electronic Fund Transfers".** If an "electronic fund transfer" described in Section 4 was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse such transfer and to re-credit your account with the full amount of the transfer if (1) you tell us, within 4 calendar days after the date of the transfer, to make such a reversal, (2) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (3) you assure us that any returnable goods involved in the dispute will be returned. If you do these things in writing, you MUST send the letter to:

Fremont Federal Credit Union
PO Box 1208
Fremont, OH 43420
(419) 334-4434

If you tell us orally that you want such a transfer reversed, you must send us a letter to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. You are required to get this letter back to us within 14 calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests, and to increase such charges thereafter.

- 15. **Confidentiality.** We will disclose information to third parties about your account or the transfers you make:
 - a. Where it is necessary for completing transfers, 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 government agency or court orders, or
 - d. If you give us your written permission.
- 16. **Errors or Questions.** In Case of Errors or Questions About Your Electronic Transfers Telephone us at: (419) 334-4434 or write us at: **Fremont Federal Credit Union, PO Box 1208, Fremont, OH 43420** as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.
 - a. Tell us your name and account number (if any).
 - 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.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred within 10 business days (5 business days for VISA® Check Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) 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 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 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90* days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three 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 you give notice of an error within 30 days after you make the first deposit to your account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we will have 90 days instead of 45 days to investigate.

- 17. **Special Liability Protection Rules for VISA® Check Card.** You will not be liable for any unauthorized transactions using your VISA® Check Card, when used for point of sale transactions, if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, (ii) you have not reported to us two or more incidents of unauthorized use within the prior twelve-month period, and (iii) your account is in good standing. If any of these conditions are not met, your liability is the lesser of \$50.00 or the amount of money, property, labor, or service obtained by the unauthorized use. Please see #36 for more information.

"Unauthorized use" means the use of your credit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. This additional limitation on liability does not apply to PIN-based transactions or transactions not processed by VISA®.

18. **Our Liability for Failure to Make "Electronic Fund Transfers".** If we do not complete an "electronic fund transfer" as described in Section 4, to or from your accounts on time or in the correct amount according to our agreements with you, we may 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 there is not enough money in your account, in excess of amounts you have pledged to us as collateral for a loan to make the transfer.
- If funds in your account are subject to garnishment or other legal process.
- If we have, because of your default on a loan, exercised our rights against the funds in a pledged account.
- If the transfer would take the balance on your overdraft loan (if applicable) over the credit limit.
- If the automated teller machine where you made the transfer did not have cash.
- If circumstances beyond our control prevent the transfer, despite reasonable precautions we have taken.

We will also be excused from such liability if you fail to observe the terms of this agreement, or our account agreements with you, which relate to such "electronic fund transfers":

18. **Business Days:** Our "business days" are as follows:

Main Office • 315 Croghan Street Fremont, OH 43420 • (419) 334-4434

We are not open for business on New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Veterans Day, Presidents Day, Martin Luther King Day, or Christmas Day. We reserve the right to change our "business days" and hours. You may get more updated information, including lobby hours, from our website at: www.fremontfcu.com

20. **Regulatory Agency:** If you believe that we may have violated the federal Electronic Funds Transfers Act or any Ohio Electronic Funds Transfer Regulations, you may contact the following regulatory authority:

State of Ohio
Department of Commerce
Division of Financial Institutions
77 South High St. 21st Floor
Columbus, OH 43215-6120
(614) 728-8400

21. **Amendments/Termination:** We reserve the right to amend this disclosure (agreement) at any time. If we do so, we will give you such advance notice thereof as we deem to be reasonable under the circumstances. However, in the specific cases mentioned earlier, we will give you at least 21 days advance written notice. We also reserve the right to terminate this disclosure (agreement) by sending a notice of such termination by first class mail to your last known address on our records, which notice shall be effective when mailed. You may also terminate this agreement at any time, however, termination of this agreement will not relieve you of your continuing obligations incurred during the term of this agreement. If this Agreement is terminated, you must return all items issued by the Credit Union, including but not limited to, ATM Cards, VISA® Check Cards, PINs and Codes, which remain the property of the Credit Union.

22. The effective date of this disclosure (agreement) is **January 15, 2010.**

23. **Location of Machines:** The number and location of Automated Teller Machines is, of course, subject to change at any time.

24. **Card Ownership:** All ATM Cards, VISA® Check Cards, and PINs remain the property of the Credit Union and may be revoked or cancelled at any time without giving you prior notice. You agree not to use your ATM/Debit Card for a transaction that would cause your account balance to go below zero. We will not be required to complete any such transaction, but if we do, you agree to pay us the amount of the improper withdrawal, or transfer, upon request.

25. **Secrecy of PIN:** If we have issued a PIN to you, you agree to keep your PIN secret, and you also agree that you will not write the PIN on your ATM/Debit Card or on any item you keep with your cards. If you do not keep your PIN separate from your ATM/Debit Card, your privileges may be revoked at our option.

26. **Limitations of ATM Transactions:** There are no limitations on the number or dollar amount of deposits you may make at any ATM during its 24-hour operating cycle. However, to protect against possible losses, your card will not allow you to withdraw more than \$500.00 cash from an ATM during such a 24-hour cycle (even if two ATM Cards have been issued for a single account). For example, when a husband and wife each have a card for their joint account.) If a separate limit is set with regard to Point of Sale entries, we will disclose that limit to you separately. We reserve the right to change these limitations, and we will give you written notice of any such change at least 21 days in advance.

The single day transaction limitation for your VISA® Check card is limited to the then available balance in your account. You may request us to program our system so that no more than \$50.00 cash can be obtained by use of your ATM/Debit Card during a single day. Please contact us if you want this option.

27. **Responsibility for overdraft:** If you obtain cash from an ATM which creates a shortage in your account, or if you overdraw an account through use of the Toni-the-Teller audio response access service, Internet Home-Bank access service or otherwise, the overdrawn amount is due and payable the moment you receive your money, or make the transfer. You agree to pay the full amount of it to us, together with an overdrawn account charge pursuant to the fees applicable for your share draft account per occurrence.

If you have an overdraft line of credit, an advance on your line of credit may be made to cover the overdraft, and you will pay that advance in accordance with the conditions of your line of credit plan, depending upon which form of overdraft protection you have selected. If there are not sufficient funds to make a transfer according your overdraft line of credit, or if you have no overdraft protection, then such overdraft will be paid to us as provided in the first sentence of this section.

28. **Crediting of Deposits and Payments:** Deposits or payments made in an ATM, whether in cash, check, draft or money order, are subject to verification, and the funds of such deposits and payments accounts may be held until they can be collected from the machine, verified and entered into our accounting systems. Further delay may occur if the transaction is made on or immediately prior to a Saturday, Sunday or holiday on which we are closed. If you place a check, draft or money order in the machine as a deposit or payment, it is subject to collection in accordance with your account agreement with us and Regulation CC.
29. **Foreign Transaction Currency Conversion.** If you effect a transaction with your VISA® Check card in a currency other than US Dollars, VISA® International Incorporated will convert the funds into US Dollars and charge your account in US Dollars. VISA® International Incorporated will use its currency conversion procedure, which is disclosed to institutions that issue VISA® cards. The conversion rate used by VISA® International Incorporated to determine the transaction amount in US Dollars for such foreign transactions is generally either a government mandated rate or a wholesale range of rates determined by VISA® International Incorporated for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by VISA® International Incorporated. The currency conversion rate used by VISA® International Incorporated is the applicable central processing date, which rate may vary from the rate VISA® itself receives and, may differ from the rate that would have been used on the purchase date or cardholder statement posting date. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, Puerto Rico, and the U.S. Virgin Islands or U.S. Military bases.

If there is no currency conversion but the transaction was completed in a foreign country (what VISA® labels a "single-currency transaction") the International Service Assessment (ISA) is 0.8% of the transaction; including cash advances, purchases and credits to your account. If there is a "multi-currency" conversion, the ISA will continue to be 1% of the transaction. An international transaction as a transaction where the issuer's country (i.e., the card-issuing financial institution's country) is different than the merchant's country. Thus, for example, a transaction over the Internet could qualify as an international transaction. These fees will be charged to your VISA® account for each foreign transaction.

30. **Advisory Against Illegal Use:** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.
31. **Governing Law:** This Agreement and Disclosure is governed by the Bylaws of Fremont Federal Credit Union, federal laws and regulations, state laws and regulations and local clearinghouse rules, as may be amended from time to time. Any disputes regarding this agreement shall be governed by the laws of the United States and the State of Ohio.
32. **Enforcement:** You agree that you will be liable to us for any loss, cost, or other expenses we incur as a result of your failure to comply with the terms and conditions set forth in this Agreement and as we may amend from time to time. You authorize us, without prior notice, to deduct any loss, cost or other expenses, including reasonable attorney's fees that are incurred by us for your failure to comply with the terms of this agreement. You also agree that we may deduct any loss, cost or other expenses, including reasonable attorney's fees that are incurred by us for any action we may take to enforce this Agreement from your accounts with us.
33. **Consumer Liability:**
- Consumer Liability.** Tell us AT ONCE if you believe your Automated Teller Machine Cards (ATM Card), VISA® Check Card and/or PIN(s) or your Toni-the-Teller audio response access service PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you call us within 2 business days after you learn of the loss or theft of your Automated Teller Machine Card (ATM Card), VISA® Check Card or your PIN(s) and/or your Toni-the-Teller audio response access service PIN, or you can lose no more than \$50 if someone used your card without your permission. If you do NOT tell us within 2 business days after you learn of the loss or theft of your card(s), and we can prove we could have stopped someone from using your card(s) and/or PIN without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, 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 a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.
 - Contact in event of unauthorized transfer.** If you believe your Automated Teller Machine Cards (ATM Card), VISA® Check Card and/or PIN(s) have been lost or stolen, or your Toni-the-Teller audio response access service PIN has been compromised, call: (419) 334-4434 or write to: Fremont Federal Credit Union, 315 Croghan Street, Fremont, Ohio 43420 **IMMEDIATELY !!!** You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.
 - If you furnish another person with your ATM card and PIN, any operable Code or Toni-the-Teller audio response access service PIN or check book, you will be responsible for all "electronic fund transfers" initiated by the person. Your responsibility pertains to transfers from which you may receive no benefit, and applies even though that person may not have actual authority to initiate a transfer or transfers an amount in excess of that which is authorized. Your responsibility for such transfers remains until you have notified us in writing that the person is no longer authorized to initiate transfers.
34. **Unlawful Internet Gambling Notice.** Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

Tell us **AT ONCE** if you believe your ATM Card, Debit Card, VISA® Debit Card/Code, Electronic Teller Internet System PIN or your Fremont Federal Credit Union Telephone Audio Response System PIN 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 (plus your maximum overdraft line of credit). If you tell us within 2 business days, you can lose no more than \$50.00 if someone used your ATM Card, your Debit Card, VISA® Debit Card or Fremont Federal Credit Union Audio Response System, or your Electronic Teller Internet service PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your ATM Card, your Debit Card/Code, VISA® Debit Card, your Fremont Federal Credit Union Telephone Audio Response System PIN, or Internet Electronic Teller service PIN, and we can prove we could have stopped someone from using your ATM/Debit Card, VISA® Debit Card or your Electronic Teller Internet member service PIN without your permission if you had told us, you could lose as much as \$500.00.

Also, 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, 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 a good reason (such as a long trip or a hospital stay) kept you from telling us, we may extend the time periods.

- **Additional Limit on Liability for VISA® Check Card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen VISA® Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

If you believe your ATM Card, Debit Card, VISA® Debit Card, Fremont Federal Credit Union Telephone Audio Response System PIN, or your Internet Electronic Teller service PIN has been *lost or stolen*, or that someone has transferred or may transfer money from your account without your permission, Call the Credit Union at: 419-334-4434

35. If you believe your ATM Card, Debit Card, VISA® Debit Card, Telephone Request System PIN, or your Internet Credit Union service PIN has been *lost or stolen*, or that someone has transferred or may transfer money from your account without your permission, CALL the Credit Union at: (419) 334-4434 or write: Fremont Federal Credit Union • 315 Croghan Street • Fremont • Ohio 43420

36. **RIGHT OF OFFSET (Shares Lien): IF YOU REQUEST THAT WE ISSUE A PIN TO YOU, AND IF YOUR CARD OR YOUR PIN MAY BE USED TO ACCESS OPEN-END CREDIT PLAN AGREEMENT(S) WITH US BY WAY OF OVERDRAFT PROTECTION, FUTURE ADVANCES OR OTHERWISE, A SECURITY INTEREST IN YOUR ACCOUNT(S) WITH US ARE A CONDITION TO THE ISSUANCE OF THE CARD AND THE PIN. IN THAT EVENT, YOU GIVE US A SECURITY INTEREST IN ALL ACCOUNTS WITH US IN WHICH YOU HAVE AN INTEREST EITHER NOW OR IN THE FUTURE, INCLUDING ACCOUNTS ON WHICH YOU ARE A JOINT OWNER AND WHICH SECURE ALL ADVANCES MADE UNDER YOUR OPEN-END CREDIT PLAN AGREEMENT WHETHER DIRECTLY OR INDIRECTLY, THROUGH THE USE OF YOUR CARD. YOU HEREBY AUTHORIZE US TO APPLY FUNDS IN YOUR ACCOUNT(S) TO PAY AMOUNTS UNDER YOUR OPEN-END CREDIT PLAN AGREEMENT IF YOU ARE IN DEFAULT. YOU ARE NOT GIVING US AN INTEREST IN ANY ACCOUNT, INCLUDING ANY INDIVIDUAL RETIREMENT ACCOUNT, WHICH WOULD LOSE SPECIAL TAX TREATMENT IF GIVEN AS SECURITY AND APPLIED TO YOUR LOAN(S).**

37. **VISA® Debit Card Network Disclosure - Non-VISA® Debit Transaction Processing.** This VISA® Debit Card Network Disclosure is effective January 1, 2009 and provides notice to you that as a VISA® Debit Card holder, you may initiate a VISA® Debit Card transaction on a non-VISA® Network without a PIN anywhere the card is accepted without those transactions being protected by VISA® zero liability for unauthorized transactions and fraud. In addition, you may not receive any other benefits for using your VISA® Debit Card, such as any accumulation of VISA® Network points, or product warranties provided by using the VISA® Network for purchases, or any other authentic VISA® incentive when your transactions are processed by non-VISA® Networks. The provisions in your VISA® Cardholder agreement relating only to VISA® Transactions are inapplicable to non-VISA® transactions.

Your VISA® Debit Card with the VISA® Logo may be accepted and process transactions that are not processed through "VISA's Network". "VISA's Network" provides protection to you that requires entry of a PIN number to access your funds/account as a Debit Account, while the following known network(s) utilized by some merchants through "non-VISA Networks" do not provide zero liability to you as a card holder. Those "non-VISA Network" transactions are not covered by the VISA® zero liability process for unauthorized transactions.

We are aware of the following networks that offer a PIN-less payment option: STAR, PULSE, NYCE, COOP, and ACCEL/Exchange. These "Non-VISA® Debit Transactions" would not be conducted through VISA's Network and therefore, would not receive VISA® zero liability and fraud protection. There may be other Networks that process your transactions through non-VISA® Networks and allow certain bill payment products and certain merchants to initiate payment transactions through non-VISA® Networks without a personal identification number (PIN). All other transactions initiated by cardholders on non-VISA® Networks required cardholders to enter a PIN.

VISA® represents that its VISA® zero liability policy virtually eliminates consumer liability in cases of card fraud for all VISA® card transactions processed through the VISA® Network, including online purchases. Merchants who use non-VISA® Networks will process your transaction(s), however, those transactions are not eligible for VISA® zero liability or fraud protection.

This new rule allows you as the cardholder to initiate a VISA® Debit Card transaction on a non-VISA® network without a PIN anywhere the card is accepted. For example, you as a VISA® Debit Card holder go to a merchant's web site and select a VISA® payment option since the card has the same VISA® logo as is on the card. If that merchant does not use a VISA® Network, your transaction will be processed as a Non-VISA® Debit Transaction that does not provide zero liability to you. In order to insure the zero liability and fraud protection, you would need to verify that the merchant utilizes a VISA® Network and not one of the non-VISA® networks identified above. Or, for example, you may charge a transaction with a non-VISA® Network participating merchant, in which case that transaction would not receive the VISA® zero liability and fraud protection.

Verified by VISA. When using your VISA® Check Card to purchase goods or services over the Internet, you may come across merchants that use the Verified by VISA program. Verified by VISA is a system designed to reduce disputes and fraudulent activity by ensuring that the person using your VISA® Check Card to purchase goods and services online is in fact you. The objective of the program is to improve the security of Internet transactions as well as cardholder and merchant confidence in Internet purchases.

We participate in the Verified by VISA program and are proud to offer you this service. Prior to using the Verified by VISA program you must register for the program. You may sign up for Verified by VISA by going to www.fremontfcu.com and following the simple online instructions.

This Disclosure is an amendment to any new or existing VISA® Agreement with this Credit Union and may be amended at any time. Usage of your card represents an acknowledgment of the receipt of this disclosure.

WIRE TRANSFER NOTIFICATION

(Uniform Commercial Code Article 4A)

The following rules shall apply to all wire transfers services provided by the Credit Union.

Fremont Federal Credit Union may accept, on your behalf, payments to your account that have been submitted by Fedwire. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Regulation J, Subpart B-Funds Transfers through Fedwire. These regulations and state law are applicable to funds transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or drivers license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and Routing and Transit ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur.

You may not be provided with separate notification each time we receive a wire transfer into your account. We will provide you with notification of an incoming wire transfer as part of your periodic statement. In the event we accept payments to your account through one or more Automated Clearing Houses ("ACH"), the operating rules of the National Automated Clearing House Association ("NACHA") will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next day notice of receipt of an ACH item. Therefore, we will provide you with notification of the receipt of these items as part of your periodic statement.

In addition, if we are ever obligated to pay interest on the amount of the transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorneys fees, unless otherwise provided by law or regulation.

We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and that are not subject to the Electronic Funds Transfer Act ("Regulation E"). Your rights and obligations with respect to such payments shall be governed and construed in accordance with the applicable Federal Reserve Bank Operating Circular. Whenever an ACH is used as part of a transaction, its rules will govern that part of the transaction. Where none of the above stated rules apply, the transactions contemplated by this agreement shall be governed by the laws of the State of Ohio, including Article 4A of the Ohio Uniform Commercial Code.

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (originator) shall not be deemed to have paid you the amount of the credit entry.

Upon receiving the notice, you must request your copy of the consumer report from the CRA within a specified time. Otherwise, the CRA may charge a reasonable fee to provide you with your copy. Beginning in late 2004 or sometime in 2005 (depending on where in the U.S. you live), you are entitled to one free report a year regardless of whether or not an adverse action has been taken.

How long will negative information stay on my report?

Federal law specifies how long negative information may remain on your credit report. Generally, the time limit is seven years, with certain exceptions:

- Bankruptcy information can be reported for ten years;
- Information reported because of an application for a job with a salary of more than \$75,000 has no time limit;
- Information reported because of an application for more than \$150,000 worth of credit or life insurance has no time limit; and
- Information concerning a lawsuit or an unpaid judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer.

Note: Positive information can remain on your report indefinitely.

Where can I go if I have more questions?

More detailed information regarding consumer reports can be obtained from the Federal Trade Commission. You may also have additional rights under state law. You should contact your state Attorney General or local consumer protection agency for more information about these rights.

A new federal law requires us to provide the following notice to consumers before any "negative information" may be furnished to a nationwide consumer reporting agency.

We may report information about your account to credit bureaus.

Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

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- *What does this notice mean?*
 - *What is a credit report or consumer report?*
 - *Why is good credit so important?*
 - *What is in a consumer report?*
 - *Can anyone get a copy of your report?*
 - *How long will negative information stay on such a report?*
-

What does the notice on the front of the brochure mean?

"Negative information" is information concerning delinquencies, late payments, insolvency, or any form of default. This notice does **not** mean that we will be reporting such information about you, only that we may report such information about consumers that have not done what they are required to do under our agreement with them.

After providing this notice, additional negative information may be submitted without providing another notice.

A consumer report (also called a credit report) is designed to provide information about your credit history to businesses and organizations.

Consumer reports are compiled by companies called consumer reporting agencies (CRAs) or credit bureaus. The purpose of a CRA is to put together information for your consumer report, keep it up to date, and make it available to those who have a legitimate business need – such as financial institutions you have asked for a loan or other services they offer, which may include an overdraft line of credit or overdraft deposit accounts.

The availability of consumer reports to businesses, such as financial institutions, helps reduce the risk of financial loss that these businesses face. For consumers, the availability of consumer reports to the financial services industry means financial institutions can extend offers to consumers without an extensive previous relationship that might otherwise be required.

The availability of consumer reports also allows financial institutions to avoid losses they might experience from consumers who do not pay their bills. Losses due to such consumers are ultimately passed on to consumers who ~~do~~ pay their bills in the form of increased fees and higher interest rates.

Finally, consumer reports allow a financial institution to counsel a consumer on the loan or other products that best fit that consumer's financial needs.

Why is good credit so important?

Are you aware that your credit history and other personal information may affect your ability to obtain a good job, to rent or purchase a home, lease a vehicle, open a deposit account, and in some cases receive a preferred rate on your life insurance policy?

A credit score is a statistical measurement used to predict how likely you are to repay a loan based on experience with millions of consumers. As a result, it provides a fast and objective way to evaluate your credit history. As credit scoring has become more important, they are able to predict other characteristics about an individual. For instance, an individual with a particular credit score is less likely to overdraw a checking account. It is important to remember that your credit history will follow you throughout your life. Making good decisions along the way will help a great deal when you are ready to realize the American dream.

What is a consumer report?

Consumer reports obtained by those in the financial services industry vary as to their detail. Some reports come in the form of simple affirmative or negative answers to specific inquiries resulting in the acceptance or denial of your application. Other consumer reports come in the form of a "score."

A scoring system assigns points for each factor in a consumer report that the financial institution considers important. The CRA will calculate a score for you based on your consumer report and provide this score to the financial institution. These scores cannot take into account factors such as race, gender, marital status, national origin, religion, or age.

Still other reports contain detailed consumer information. Detailed consumer reports typically include four types of information:

- Identification and employment information (name, address, social security number, spouse's name, your current job, length of employment, and income).
- Information from public records (bankruptcy, civil suits and tax liens).

- Credit information (specific information about each account, such as the date opened, credit limit or loan amount, balance, monthly payment, and payment pattern during the past several years).
- Names of those who have obtained a copy of your credit report within the last year (two years for employment-related requests). By law, inquiries made by the FBI are not recorded in certain circumstances (such as a counterintelligence investigation).

Can anyone get a copy of my consumer report?

No. You may obtain a copy of your consumer report at any time, but no one else may legally review your report unless they do so in connection with one of the following:

- A court order or federal grand jury subpoena.
- You have given someone written permission.
- An employment purpose, such as hiring or a promotion, where you have given the employer your permission.
- Insurance underwriting.
- Your application for a government license.
- A legitimate business need, such as an application for credit or a deposit account.
- In certain circumstances, a state or local child support enforcement agency.

Every CRA must provide you with a free copy of your consumer report at your request when an "adverse action" is taken because of information supplied by the CRA.

For example, if your credit or deposit application is denied due to information contained in your consumer report, you will be notified of this adverse action and informed that the decision was based on your consumer report. The notice will tell you the name and address of the CRA that provided the consumer report.