



REGULATION E

ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

This Agreement and Disclosure is made in compliance with federal law regulating electronic funds transfer (EFT) services. Electronic funds transfers are electronically initiated transfers of money involving an account at the Financial Institution. The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers. In this Agreement, the words “you” and “your” mean those who sign as applicants or any authorized user (s). The words “we” “us” and “our” mean the Financial Institution. The abbreviation “PIN” or word “code” means a personal identification number.

Nstar ATM Card

Types of transfers. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the ATM Request Form. At present, you may use your card to (some of these services may not be available at all ATMs):

- Deposit funds to your checking account
- Withdraw cash from your checking account
- Deposit funds to your savings account
- Withdraw cash from your savings account
- Transfer funds between your checking and savings account
- Obtain balance information on your deposit accounts.

Limitations on Frequency and Amount:

- You may withdraw up to a maximum of \$1,000.00 (if there are sufficient funds in your account) per day.
- For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs.

Fees and Charges for ATM Transactions:

- There is a \$2.00 charge for each ATM withdrawal at foreign ATM machines
- There is a \$2.00 charge for each ATM deposit at foreign ATM machines
- There is a Replacement Card Fee of \$5.00 per card.
- PIN Number Issue Fee \$2.50.

ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

Nstar ATM/Debit Card

Types of Transactions/Transfers: You may use the card and the PIN issued to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of

Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a VISA symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the Combined ATM/POS/Debit Card Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- Deposit funds to your checking account
- Withdraw cash from your checking account.
- Deposit funds to your savings account
- Withdraw cash from your savings account.
- Transfer funds between your checking and savings accounts.
- Obtain balance information on your deposit accounts.

Limitations on Frequency and Amount:

- You may withdraw up to a maximum of \$1,000.00 (if there are sufficient funds in your account) per day.
- For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs and the Point of Sale service.
- You may purchase up to a maximum of \$2,500.00 worth of goods and services per day, exclusive of ATM withdrawals.

Fees and Charges:

- There is a \$2.00 charge for each ATM withdrawal at foreign ATM machines
- There is a \$2.00 charge for each ATM deposit at foreign ATM machines
- There is a replacement Card Fee of \$5.00 per card.
- PIN Number Issue Fee \$2.50

ATM Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer).

Nstar Telebank

Types of Audio Response Services: You may access your deposit accounts by using a separate identification number (PIN) assigned to you and your account number in our audio response system. At the present time you may use the system to:

- Transfer funds between your deposit accounts.
- Give you tax information on interest earned or paid on your accounts.
- Obtain balance information on your deposit accounts.
- Verify the last date and amount of your payroll deposit.
- Determine if a particular check has cleared your account.

Limitations on Frequency and Amount:

- There are no limits on the number of inquiries, transfers or withdrawals you may make per day.
- For security purposes, there are limits on the frequency and amount of transfers you may make using this Audio Response service.

Fees and Charges for Audio response Transactions:

- We do not charge for any Audio Response Transactions.

Other EFT Transactions. You may access certain account(s) you maintain with us by other EFT transaction types as described below.

Electronic Check Conversion. You may authorize a merchant to use your check as a source of information to initiate an EFT from your account. Electronic check conversion is a payment process in which a merchant (after obtaining your authorization) uses your check to gather routing, account, and check number information to initiate a one-time EFT. This type of EFT transaction involving a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. A description of the transaction will appear on your statement.

Re-presented Check Transactions and Fees. You may authorize a merchant to electronically collect a fee associated with the re-presentation of a check that is returned due to insufficient or available funds. The resulting fee transaction if debited as an EFT from a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. When a merchant re-presents a check electronically, that transaction is not covered by the Electronic Funds Transfer Act or this disclosure. A description of the transaction will appear on your statement.

The following limitations may be applicable to your accounts, except as provided by law:

Liability for Unauthorized VISA Point of Sale Debit Card Transactions. Tell us, **AT ONCE**, if you believe your VISA point of sale debit card has been lost or stolen or of any unauthorized transactions. Your liability for unauthorized Visa point of sale debit card transactions that take place on the Visa system is Zero dollars (\$0.00). We may require you to provide a written statement regarding claims of unauthorized Visa point of sale debit card transactions.

These provisions limiting your liability do not apply to Visa commercial cards or Visa Plus ATM transactions; and apply only to cards issued in the United States. With respect to unauthorized transactions, these limits may be exceeded to the extent allowed under applicable law (see **Liability for Unauthorized Transfers** paragraph below) only if we determine that you were grossly negligent or fraudulent in the handling of your account or point of sale debit card. The same consumer liability limits shall apply to Interlink Transactions. To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth below. This will help prevent unauthorized access to your account and minimize any inconvenience.

Visa is a registered trademark of Visa International.

In addition to the limitations set forth above, the following limitations may be applicable to your accounts:

If the account holder is a natural person and the account is used primarily for personal, family or household transactions, the account will be considered a “Consumer Account”.

Liability for Unauthorized Transfers (Consumer Accounts). Tell us **AT ONCE** if you believe your card, ATM, POS card or PIN or Audio Response 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 two (2) business days, you can lose not more than \$50.00 if someone used your card or code without your permission. If you do **NOT** tell us within two (2) business days after you learn of the loss or theft of your card or code, and we can prove that we could have stopped someone from using your card or code 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 sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (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. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (248) 645-8888 or write to us at Nstar Community Bank, 31780 Telegraph Road, Bingham Farms, MI 48025.

Liability for Unauthorized Transfers (Non-Consumer Accounts). Tell us AT ONCE if you believe your card, ATM PIN POS card or PIN, or Audio response PIN has been lost or stolen. You will not be liable for any unauthorized use of your card or code that occurs after you notify us of the loss or theft of your card or code. You may be liable, however, for the entire amount of an unauthorized use that occurs before you notify us:

- If you or an authorized user write the PIN on the card.
- If you or an authorized user keep the PIN with the card.
- If you or an authorized user voluntarily permit the PIN and the card to come into the possession of a person who makes or causes to be made an unauthorized use.

If you fail to notify us of an unauthorized use within 30 days after you receive a statement on your authorized account showing the unauthorized use, you will be liable for a subsequent unauthorized use that could have been prevented by timely notification. If you believe that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, contact us at the phone number or address listed in the Liability for Unauthorized Transfers (Consumer Accounts) paragraph.

Business Days. For purposes of these electronic funds transfer disclosures, our business days are Monday through Friday. Holidays are not included.

Stop Payments on ATM, POS or Debit Card Transactions. You may not place a stop payment order on any ATM, POS, or debit card transaction.

Documentation.

Periodic Statement. You will get a monthly account statement from us, unless there are not transactions in a particular month. In any case you will get a statement quarterly. You will get a quarterly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit.

Terminal Receipt. You can get a receipt at the time you make any transfer to or from your account using an ATM or POS terminal. The receipt shall be admissible as evidence in any legal proceeding and constitutes prima facie proof of the legal transaction which it records.

Direct Deposit. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us at (248) 645-8888 to find out whether or not the deposit has been made.

Our 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 the money in your account is subject to legal process or other claim restricting such transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the ATM where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

In case of Errors or Questions About Your Electronic Transfers (Consumer Accounts). Telephone us at (248) 645-8888, or write us at **Nstar Community Bank, 31780 Telegraph Road, Bingham Farms, MI 48025** 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 sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- 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 orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we hear from you and 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 money during the time it takes us to complete our investigation. If we ask you to put your complaint or questions in writing and we do not receive it within ten (10) business days, we may not credit your account.

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

We will tell 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 unauthorized use of your point of sale debit card with the Visa logo when it is used as a Visa point of sale debit card, we will provide provisional credit within five (5) business days after you notify us instead of within ten (10) or twenty (20) business days. We may withhold providing this accelerated provisional credit, to the extent allowed under applicable law, if the circumstances or account history warrants the delay.

In Case of Errors or Questions About Your Electronic Transfers (Non-Consumer Accounts). Contact us at the telephone number or address listed above 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 you receive the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe it is in error or why you need more information.
3. 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 14 business days, we may choose not to pursue your complaint or question.

We will respond to your complaint or questions within 10 business days by either provisionally correcting the account or by providing a written explanation stating the reason we believe the statement is correct. We may charge the provisional correction back to you 15 days after providing you with notification and explanation of the charge-back. A provisional correction, however, shall become final not later than 60 days after it was made.

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

- To complete transfers as necessary.
- To verify the existence and condition of your account upon request of a third party, such as a credit bureau or merchant; or
- To comply with government agency or court orders; or
- If you give us your written permission.

Personal identification Number (PIN). The ATN, POS PIN, or Audio Response PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(s). You agree not to disclose or otherwise make your ATM, POS PIN, or Audio Response PIN available to anyone not authorized to sign on your accounts.

Notices. All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices from you will be effective when received by us at the telephone number or the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you 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 your account and any future changes to those regulations.

Enforcement. In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any Account transaction, the prevailing party shall be entitled to reasonable attorney's fees and costs, including fees on any appeal, subject to any limits under applicable law.

Termination of ATM, POS and Audio response Services. You agree that we may terminate this Agreement and your use of the ATM card, POS or Audio response services, if:

- You or any authorized user of your ATM PIN, POS card or PIN or Audio Response PIN breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your ATM PIN, POS card or PIN or Audio Response Pin;
- We notify you or any other party to your account that we have cancelled or will cancel this Agreement. 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. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

Other Provisions. There may be a delay between the time a deposit is made and when it will be available for withdrawal. You should review our Funds Availability Policy to determine the availability of the funds deposited at ATMs. We reserve 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.

Disputes Regarding Point of Sale Transactions. If you use your card in a point of sale transaction to purchase goods and/or services and have a dispute regarding that transaction, we will reverse the transaction and re-credit your account for the full amount of the transfer if all of the following occur:

- You give us notice within four (4) calendar days, during normal business hours, of having made a good faith attempt to seek redress and make assurance to us of the return of the related goods in dispute to the third party if goods were involved.
- The amount of the transaction is \$50.00 or more.
- If the request is oral, you must verify the reverse order, notice and assurance in writing within fourteen (14) calendar days following oral notification, on a form to be provided by us. If you do not furnish us with written verification, we will reinstate the original debits and credits involved in the transaction to the extent of the available account balance.

If you feel that we have violated the Michigan Electronic Funds Transfer Act you may notify: Office of Financial and Insurance Services, Division of Financial Institutions, Box 30224, Lansing, MI 48909 or, for state banks: Assistant Vice President, Federal Reserve Bank of Chicago, 230 South La Salle Street, Chicago, IL 60604.