

## Online Banking and Bill Payment Service Agreement and Disclosure Statement

Before enrolling in Kaua'i Government Employees' Federal Credit Union's Online Banking and Bill Payment services, please review the policies and regulations that will apply to your accounts and transactions.

The Online Banking Service allows you to access your Kaua'i Government Employees' Federal Credit Union account and loan information over the Internet. Additionally, if you have chosen the Bill Payment Service, you may pay bills from your Share Draft Account via the Internet to vendors you have identified.

In this Agreement the words "you" and "yours" mean the Accountholder or Accountholders, if there is more than one person in whose name the Account is held. The words "we", "us", "our" and "Credit Union" mean Kaua'i Government Employees' Federal Credit Union. The word "Account" means any one or more share or other accounts you have with the Credit Union.

### 1. Acceptance and Agreement

This Agreement and Disclosure Statement (the "Agreement") applies to your use of the Online Banking Service and the Bill Payment Service, including electronic funds transfers made using either of these services. Your initial accessing of Online Banking Service by use of your valid personal identification number (PIN) signifies your receipt of the disclosures and your agreement to be bound by the terms contained in this Agreement.

This Agreement supplements, but does not replace, the Electronic Funds Transfer Agreement and Disclosure and other information applicable to your Kaua'i Government Employees' FCU deposit accounts, including your signature card, all accompanying fee and other schedules and any related disclosures or notices of changes of terms or conditions and the terms and conditions of any credit agreements applicable to your Kaua'i Government Employees' FCU loan accounts, including all accompanying fee and other schedules and any related disclosures or notices of changes of terms or conditions. By accepting this agreement you agree to do business electronically with Kaua'i Government Employees' FCU, and confirm you have the required hardware and software capabilities described below.

### 2. Technical Requirements

To use the Online Banking Service, you must have access to the Internet through an Internet Service Provider (ISP). You must also use Netscape® 4.51 or higher, Microsoft® Internet Explorer 4.0 or higher, or America Online Web Browser 4.0 (128-bit encryption) or higher and the hardware necessary to run such software. You are solely responsible for obtaining, maintaining, upgrading and operating your ISP and any associated software. We are not responsible for any loss, damage or claim caused by your ISP, any related software, or your computer communication equipment.

### 3. Online Banking Service

Subject to the terms and conditions of this Agreement, you may use a personal computer and modem to access Online Banking Service to:

- View account and loan balances for each of your selected Accounts;
- View available account and loan histories for each of your selected Accounts, excluding Visa loans and 7/1 Adjustable Rate Mortgages (ARMs);
- Download account and loan histories to your PC's hard drive for use with financial software such as Intuit® Quicken or Microsoft® Money®;
- Transfer funds between your Accounts and loans in your selected Accounts, excluding Visa loans and 7/1 ARMs;
- Obtain time-delayed stock price quotations;
- Track a portfolio of up to twenty (20) different stocks; and
- Look up corporations to determine the appropriate exchange trading symbols.

### 4. Bill Payment Service (to be available soon)

The Credit Union has contracted with a Metavante to provide bill payment service to its members. The bill payment service provider will be processing bill payments and answering questions directly related to these member-initiated bill payments. The Credit Union, at its sole discretion, reserves the right from time to time, to change Bill Payment Service providers.

If you elect the Bill Payment Service, you may use a computer and modem to do the following, subject to the terms and conditions of this Agreement:

- Schedule and make bill payments (one-time or recurring) from your designated Share Draft Account to third-party vendors;
- Add to or edit your vendor list for recurring payments;
- Verify that information submitted regarding payments is correct;
- View a history of payments made over a specified time period of up to ninety (90) days with information sorted by date, amount, or alphabetically by vendor name;

After you add a vendor for bill payment, your vendor list will show whether the vendor will be paid by an electronic transfer or by paper check, mailed to the payee. You authorize us to choose the way to process your payment or transfer request. All payments made through the Bill Payment service will be deducted from your Share Draft account. Any payment paid through the Bill Payment Service must be payable in U.S. dollars to vendors in the United States. Each payee must appear on the payee list created by you and the account you are paying from must be in your name. You must provide sufficient information about each payee on your payee list in order for us to direct a payment to that payee. The information must also be sufficient to permit the payee to credit the correct account with your payment. You may not use the Bill Payment Service to make payments to a federal, state or local government or tax unit, for alimony, child support or other court-directed payment, to a securities broker, or to other categories of payees that we may establish from time to time.

You must allow sufficient time for the payee to receive and process the payment before the payment due date (the due date shown on your invoice or provided in your agreement with the payee, not taking into account any grace period provided by the payee). If you do not allow sufficient time, you assume full responsibility for all late fees, finance charges, or other actions taken by the payee. We will not be liable for late charges, service fees, or any other charge if you do not schedule payments as required above.

**IMPORTANT: Payments may take up to ten (10) days to reach the vendor (payee), as they are paid either electronically or by physical check, mailed to the payee.**

### 5. Access

In order to access the services, you will need your account number and a password to access your account. You may change your passwords at any time in the future by completing and electronically submitting an online change of password request. Make sure you enter passwords which you can remember but cannot be easily ascertained by anyone else. To help safeguard your passwords, you should change them frequently. You must follow the foregoing procedures in order to properly access these services. You also agree that you will keep your account number and password secret. This is extremely important to prevent unauthorized access to or use of your Account. You agree that you will be responsible for all transfers and payments made from your Account by anyone you authorize to use your Account, whether such use is pursuant to or beyond your instructions.

6. **Account Transfer**

You may transfer funds to and from your Accounts, as long as you have sufficient funds available to complete the transfer and nothing in the terms and conditions of the Account Agreement prohibit the transfer. Transfers from your Account are subject to all of the transfer restrictions, if any, included in your Account Agreement. In addition, you may not transfer from your Account any funds which are secured as collateral for loans you have with us or a third party. By signing this Agreement, you authorize the Credit Union to charge your Accounts for the amount of any bill payer payment that you make or that you authorize, as well as any charges for providing this service. You also authorize us to initiate any reversing entry or file and to debit or credit any Account in order to correct any mistaken debit or credit entry.

7. **Additional Information about the Services**

We may update or delay any or all services referenced in this Agreement to ensure security. We will deny access to the Online Banking service if an incorrect PIN is entered five (5) times. If access is denied, contact the Credit Union at (808) 245-2463 between 9:00 a.m. and 4:00 p.m. (Hawaii Standard Time) Monday through Friday except holidays. Additional information and instructions on use of the Online Banking Service and Bill Payment Service may be found in this Agreement.

8. **Bill Payment Service Preauthorized Payments**

Preauthorized Payments: You may use the Bill Payment Service to schedule recurring payments to third party vendors.

Stop Payment: Payments that are pending or not issued may be deleted or modified while using Bill Payment Service. If, however, the payment is already reflected in the Bill Payment Service history and you wish to request a stop payment or change a Bill Payment Service transaction, you must contact the Bill Payment Service provider's customer service department at 1-800-823-7555 in time for the Bill Payment Service provider to receive your request 3 business days or more before the payment is scheduled to be made. 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.

Liability for Failure to Stop Payment: If you order us to stop payment a preauthorized transfer 3 business days or more before the transfer is scheduled, and the Bill Payment Service provider does not do so, we and/or the Bill Payment Service provider will be liable for your losses and damages.

9. **Limitation on Transactions**

Unless specified in this Agreement, there is no limit to the number of times you may use Online Banking Service, and you may transfer or authorize payments up to the available balance in your Account at that time. However, we may:

- o Set limits on the total dollar amount of any one transaction;
- o Check and authorize each transaction before it becomes final; and
- o Limit the number of transactions in certain accounts as required by law. (For Share Savings and Money Market accounts, you may make up to six (6) preauthorized, automatic, telephonic, or audio response transfers (including overdraft protection transfers) per account to another account of yours or to a third party during any calendar month. Of these six (6), you may make no more than three (3) transfers to a third party by check or Debit Card. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearinghouse. You may make unlimited transfers to any of our accounts or to any Credit Union loan account and may make withdrawals in person, by mail, or at an ATM. However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against, suspend, or close your account.)

10. **Consumer Use**

The Online Banking Service and the Bill Payment Service are designed and intended for personal, family, or household purposes. The services are not designed for business or commercial use. You may not use the services for any commercial purpose. You will take full responsibility if your accounts are business or commercial accounts and will reimburse us for any loss, costs, or expenses we incur as a result of your use of the services for business or commercial purposes.

11. **Fees and Charges**

Fees and applicable charges are found in the Credit Union Rate & Fee Schedule. From time to time, the charges may be changed, and we will notify you of any changes as required by applicable law.

The following fees apply only to the Bill Payment Service. These fees are subject to change.

- o Monthly Base Fee = \$5.00 (up to 10 bills per month)
- o Each additional bills after 10 = \$0.50 per bill
- o Non-Sufficient Funds (NSF) Returns = \$10.00
- o Non-Sufficient Funds (NSF) item force-paid = \$15.00
- o Stop Payment fee = \$5.00

12. **Documentation**

You will get a monthly account statement unless there are no transfers in a particular month. You may also generate a printed history of activity while using Online Banking Service. In any case, you will get a statement of activity at least quarterly.

You are entitled to receive and retain a copy of this agreement and disclosure statement. Unless you inform us otherwise, you consent to electronic receipt of this agreement and disclosure statement, all Account statements, and other notices provided from time to time on our Online Banking Service web site by using our Online Banking Service or Bill Payment Service. You may request a free paper copy by calling the Credit Union at (808) 245-2463 between 9:00 a.m. and 4:00 p.m. (Hawaii Standard Time) Monday through Friday except holidays. You may revoke your consent in writing by contacting us by

E-mail at: [info@kgefcu.org](mailto:info@kgefcu.org)

or U.S. mail at:  
Kaua'i Government Employees' FCU  
2976 Ewalu Street,  
Lihue, Kaua'i 96766

13. **Member Liability**

You must tell us AT ONCE if you believe your PIN or Passwords have been lost, stolen, or otherwise become available to an unauthorized person. Telephoning is the

best way of keeping your possible losses down. You could lose all the money in your Account plus the maximum amount of your overdraft protection account. If you tell us within two (2) business days after learning of the loss or theft, you can lose no more than \$50 if someone used your PIN or Passwords without your permission. If you believe your PIN or Passwords have been lost or stolen, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your PIN or Passwords without your permission.

If you do NOT tell us within two (2) business days after you learn of the loss or theft of your PIN or Passwords, and we can prove we could have stopped someone from using your PIN or Passwords without your permission if you had told us, you could lose as much as \$500.

Also, if your account statement shows electronic fund transfers that you did not make, you must tell us AT ONCE. If you do not tell us within sixty (60) days after the statement was provided to you, you may not get back any money.

If you believe your PIN or Passwords have been lost or stolen or that someone has transferred or may transfer money from your Account without your permission you must contact us immediately by telephone, e-mail, or in writing. Telephoning is the best way of keeping your possible losses down. Call the Credit Union at (808) 245-2463 between 9:00 a.m. and 4:00 p.m. (Hawaii Standard Time) Monday through Friday except holidays,

E-mail at: [info@kgefcu.org](mailto:info@kgefcu.org)

or U.S. mail at:  
Kaua'i Government Employees' FCU  
2976 Ewalu Street,  
Lihue, Kaua'i 96766

Include in your correspondence, your full name, address, and account number. You may be required to sign an affidavit in connection with such unauthorized activities.

#### 14. Confidentiality and Account Information Disclosures

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

- where it is necessary for completing transfers; or in order to verify the existence and condition of your Account for a third party, such as a credit bureau or merchant; or
- in order to comply with a government request
- if you give us your written permission.

If you believe that we have reported inaccurate information about your Account to a consumer-reporting agency, write to us at the address found in Section 13 above. Please include your name, account number and a description of the suspected inaccuracy.

#### 15. Kaua'i Government Employees' Federal Credit Union Liability

Access to the Bill Payment services may be temporarily unavailable from time to time due to system updating, maintenance or technical difficulties. You agree that the Credit Union will not be liable for delays in payments in such cases. If we do not complete an electronic fund transfer to or from your Account in 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:

- If, through no fault of ours, you do not have enough money available in your Account to make the electronic fund transfer, if any funds in your Account necessary to complete the transfer are held as uncollected funds or pursuant to our Funds Availability Policy, or if the funds in your Account are pledged as collateral or frozen because of a delinquent loan;
- If the electronic fund transfer would go over your overdraft protection credit limit;
- If, through no fault of ours, we have not actually received enough money to cover an electronic deposit from a third party;
- If the funds in your Account are subject to legal process or other encumbrances restricting the electronic fund transfer;
- If your computer, modem, software, or Internet access is not working properly or you do not have the required software for Internet access;
- If our processing system was not working properly and you knew about the problem when you started the electronic fund transfer;
- If circumstances beyond our control (such as fire or flood) prevent the electronic fund transfer, despite reasonable precautions that we have taken;
- If you have not provided us with correct and complete information about the payee;
- If the payee is not a valid business payee;
- If you did not timely provide us with correct instructions as to when to make a payment;
- If the payee, on its own, mishandles or delays processing the payment sent to us;
- If this Agreement is terminated;
- If the authorization for your electronic fund transfer is revoked by law or court order (in case of death or incompetence, for example); or
- If other exceptions are provided in other agreements we have with you or by applicable law.

We will not be required to complete any transaction described above. In the event that such a transaction is completed, you agree to pay us that amount that exceeds your Account balance or your line of credit or that is otherwise improperly withdrawn immediately upon request.

#### 16. In Case of Error or Questions About Your Electronic Funds Transfers

In case of errors or questions about your electronic fund transfers, or if you think your statement or receipt is wrong, or if you need more information about an electronic fund transfer listed on the statement or receipt, contact us at the appropriate telephone number, e-mail address, or address listed below as soon as you can. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared.

- Tell us your name and your Account number.
- Describe the error or the electronic fund transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us verbally, we will require that you send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigations within ten (10) business days after we hear from you and will correct any error promptly. Where applicable, we will credit interest and refund any fees

or charges imposed on your Account. 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 provisionally 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 do not receive your complaint or question in writing within ten (10) business days after you tell us verbally, we will not credit your Account. For errors involving transfers within thirty (30) days after the first deposit to the account was made, or initiated outside the United States, the periods referred to above are twenty (20) business days instead of ten (10) business days and ninety (90) days instead of forty-five (45) days. If we decide that there was no error, we will send you a written explanation of our findings within three (3) business days after we complete our investigation. You may ask us for copies of the documents that we used in our investigation. If we provisionally credited your Account, we will also notify you that we reversed the credited amount. We will honor any checks, drafts or other similar paper instruments and any preauthorized electronic fund transfers up to the amount we reversed plus the available balance in your Account and the available balance in your overdraft account (if applicable) without imposing any overdraft charges from your Account for a period of five (5) business days after our notice of reversal is sent to you.

For errors or questions, call the Credit Union at (808) 245-2463 between 9:00 a.m. and 4:00 p.m. (Hawaii Standard Time) Monday through Friday except holidays,

E-mail at: [info@kgefcu.org](mailto:info@kgefcu.org)

or U.S. mail at:

Kaua'i Government Employees' FCU  
2976 Ewalu Street,  
Lihue, Kaua'i 96766

#### 17. **Terminating This Agreement**

You can terminate this Agreement at any time by notifying us in writing and no longer using your PIN or Passwords. We can also terminate this Agreement at any time. If we do, we will notify you. Whether you terminate this Agreement or we do, the termination will not affect your obligations under the Agreement, even if we allow any transaction to be completed after this Agreement has been terminated. Inactivity would be cause for this Agreement to be terminated.

#### 18. **Notices**

All notices from us will be effective when we have electronically provided, mailed or delivered them to the last address that we have for you in our records. Notices from you will generally be effective once we receive them at the appropriate address specified in this Agreement. If more than one person holds the Account, notice to or from one of the Accountholders will be effective for every Accountholder. We reserve the right to change the terms and conditions upon which the service is offered.

#### 19. **Business Days**

For purposes of these disclosures, business days are Monday through Friday. Holidays are not included.

#### 20. **Records**

All records (no matter the format) used and retained by the Credit Union for the transactions contemplated by this Agreement shall be and remain the property of the Credit Union. The Credit Union may, in its sole discretion, make available certain stored information upon the member's request, provided that, any expenses incurred by the Credit Union in doing so shall be paid by the member.

#### 21. **Changing This Agreement**

We have the right to change the terms of this Agreement from time to time. We will notify you at least twenty-one (21) days before the change will take effect if the change will result in greater costs or liability to you or decrease your ability to access your Account. As permitted by law, we will not notify you in advance if the change is immediately necessary for security reasons. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

#### 22. **Our Rules and Regulations**

Yours Accounts may also be governed by other agreements between you and us and by our rules and regulations.

#### 23. **Enforcement**

If we ever have to file a lawsuit to collect what you owe us, you agree to pay our reasonable expense, including court costs and our attorney's fees and costs. If there is a lawsuit, you agree that it may be filed and heard in the county and state in which the Credit Union is located, if allowed by applicable law.

#### 24. **Evidence**

If we go to court for any reason, we can use a copy, microfilm or microfiche of any document to prove what you owe or that a transfer has taken place. A copy, microfilm or microfiche will have the same validity as the original.

#### 25. **Governing Law**

Except to the extent that federal laws apply, the laws of the State of Hawaii will govern this Agreement. If any term of this Agreement cannot legally be enforced, this Agreement is to be considered changed to the extent necessary to comply with the law.

#### 26. **Waivers**

No delay or omission by us in exercising any rights or remedies under this Agreement and Disclosure Statement shall impair or be construed as a waiver of such right or remedy. All waivers must be in writing and signed by us.

#### 27. **Authorized Users**

Authorized User means any person who has actual, implied or apparent authority, or who any owner has given any information, access device or documentation that enables such a person to access, withdraw, make transactions to or from your accounts, or to use any of your account services. If you authorize anyone to use your access devices, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. If you fail to maintain the security of these access codes and the Credit Union suffers loss, we may terminate your ATM and account services immediately.

This definition is intended to be construed broadly and includes without limitation all users acting under a written document such as a power of attorney as well as any person or entity that is authorized to make deposits or debits to or from your account with us.

#### 28. **Warranty Regarding Proper Use of Services**

You warrant and agree that you will not use any Credit Union Accounts or Services, including but not limited to loans, to make or facilitate any illegal transaction(s) as determined by applicable law; and that any such use, including any such authorized use, will constitute an event of Default under this Agreement. The Credit Union may decline to accept, process or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us) under applicable law, including but not limited to any transaction regarding or related to any gambling activity. You agree that the Credit Union will not have any liability, responsibility or culpability whatsoever for any such use by you or an authorized user(s); or for declining to accept, process, or pay any such transaction. You further agree to indemnify and hold the Credit Union harmless for any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.