

## ELECTRONIC FUND TRANSFER INITIAL DISCLOSURE

**CONSUMER'S LIABILITY.** You will tell us AT ONCE if you believe your card or code 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 us 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 business days after you learn of the loss or theft of your card or code, you can lose no more than \$50 if someone used your card or code without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your card or code and we can prove 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.

Limitation of Liability for Unauthorized MasterCard branded card transactions. You will not be liable for any transactions not authorized by you if you have exercised reasonable care in safeguarding the card from risk of loss or theft and, upon becoming aware of such loss or theft, promptly report the loss or theft to us. This rule does not apply to a transaction conducted with a card that is a) issued to an entity other than a natural person; b) issued for a commercial purpose; provided, the rule shall apply to a transaction conducted with a card for a 'Small Business' program as described on <http://www.mastercardbusiness.com> (under 'Small Business,' select the 'Products' tab); c) issued and/or sold to a person until such time as that person's identity is registered by or on behalf of us in connection with such issuance and/or sale, which registration may include customer identification program requirements.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, you will tell us at once. If you do not tell us within 60 days after each statement we provide or made available to you, you may not get back any money that 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.

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).

**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 the following occur: (a) 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 an assurance to us of the return of the related goods in dispute to the third party if goods were involved, (b) the amount of the transaction is \$50.00 or more, (c) 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.

**INCORPORATION OF TERMS OF THIS DISCLOSURE INTO THE DEPOSIT AGREEMENT.** By requesting and using an electronic access device or code on your account you agree that the terms of this disclosure are incorporated into your agreement with the bank.

**CONTACT IN EVENT OF UNAUTHORIZED TRANSFER.** If you believe your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, you will call (906)563-9233 or write NORTHERN INTERSTATE BANK, N.A., Customer Service Department, Norway Office, 501 W Us Hwy 2, Po Box 218, Norway, MI 49870.

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.

**BUSINESS DAYS.** For purposes of these disclosures, our business days are Monday, Tuesday, Wednesday, Thursday, and Friday. Federal Holidays are not included.

**TYPES OF TRANSFERS.** You may authorize certain direct deposits to your checking or savings account. You may authorize certain bills and other payments to be deducted from your checking or savings accounts. A merchant may convert your check in payment for merchandise or services into an electronic funds transfer from your account.

You may use your card or code to:

- Make deposits to your checking and savings accounts.
- Pay for purchases at places that have agreed to accept the card or code.
- Transfer funds between your checking and savings accounts.
- Withdraw cash from your checking and savings accounts.
- You may not use your card or code to facilitate internet gambling transactions.

- You may not use your Debit MasterCard or ATM Card outside of the United States. All foreign transactions will be blocked..

Some of these services may not be available at all terminals.

**ELECTRONIC CHECK CONVERSION.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to

- pay for purchases
- pay bills.

**LIMITATIONS ON DOLLAR AMOUNTS OF TRANSFERS.**

- You can buy up to \$300.00 worth of goods or services each day by using the card or code in our point-of-sale transfer service.
- You can withdraw up to \$300.00 from our terminals using your card or code each day.

**FEES.**

- You will be charged \$10.00 per card for the issuance of replacement access cards.
- You will be charged \$1.00 for each transfer that you make using an automated teller machine not owned by us.
- If you use your card in a foreign country and/or to make a purchase in a foreign currency, you will be charged a currency conversion fee of 1% of the transaction amount.
- If your account is in overdraft status, your card will be restricted. This means that you will be unable to use your card until your account status is positive and you call to reactivate your card. We reserve the right to refuse reactivation. A \$10.00 reactivation fee will be assessed..

**CONFIDENTIALITY.** 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 government agency or court orders, or
- If you give us written permission.

**DOCUMENTATION.**

**Terminal Transfers.** You can get a receipt at the time you make any transfer that exceeds \$15.00 to or from your account using one of our point-of-sale terminals.

**Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company you can call us at (906)563-9233 to find out whether the deposit has been made.

**Periodic Statements.** You will get a monthly account statement unless there are no electronic transfers in a particular month. In any case, you will get the statement at least quarterly. You will not receive a periodic statement if your account is a passbook account. Present your passbook and we will record any electronic deposits to your account.

**PREAUTHORIZED PAYMENTS.**

**Stop Payments.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how: call us at (906)563-9233 or write us at NORTHERN INTERSTATE BANK, N.A., Norway Office, 501 W Us Hwy 2, Po Box 218, Norway, MI 49870, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we can also require you to put your request in writing and get it to us within 14 days after your call. We will charge you \$30.00 for each stop payment order you give us.

**Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

**Liability for Failure to Stop Payment of Preauthorized Transfer.** If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

**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 your agreement with us, 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 transfer would go over the credit limit on your overdraft line.
- If the automated teller machine 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 transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in your agreement with us.

**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS.** You will telephone us at (906)563-9233 or write us at NORTHERN INTERSTATE BANK, N.A., Norway Office, 501 W Us Hwy 2, Po Box 218, Norway, MI 49870 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. You will:

- 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 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if 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 point-of-sale transaction, or new account, 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 (20 business days if new account) 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 the purpose of this paragraph, an account is a new account for a period of 30 days from the date of the first deposit to the account.

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.

**EXCHANGE RATE FOR FOREIGN TRANSFERS.** If a transfer takes place outside of the United States and is in a foreign currency, Visa or MasterCard will convert the transfer into U.S. dollars by using their own currency conversion procedures. The exchange rate will be determined in one of two ways: (1) the exchange rate will be selected from the range of rates available in the wholesale currency markets for the central processing date (which may be different from the rate received by Visa or MasterCard), or (2) the exchange rate will be a government-mandated rate in effect for the applicable central processing date, plus any adjustment determined by the card issuer and disclosed separately in the fee section of the cardholder agreement. The currency exchange rate used may differ from the rate in effect when your transfer occurred or was posted to your account.

**REGULATORY AUTHORITY.** If you feel that we have violated the Michigan Electronic Funds Transfer Act you may notify the following government regulatory authority:

(1) if we are a national bank, you may notify the Office of the Comptroller of the Currency, Customer Assistance Group, 1301 McKinney Street, Suite 3450, Houston, TX 77010-9050;

(2) if we are a federal savings bank (FSB), you may notify the Office of Thrift Supervision, Consumer Response Center, 1700 G Street, N.W., Washington, DC 20552; or

(3) if we are a Michigan state-chartered bank or a Michigan state-chartered savings bank, you may notify the Michigan Office of Financial and Insurance Regulation, Consumer Services, P.O. Box 30220, Lansing, MI 48909-7720.