

**Neighborhood Credit Union
Electronic Fund Transfer Disclosure**

THIS IS YOUR ELECTRONIC SERVICES DISCLOSURE AND AGREEMENT. IT INCLUDES NECESSARY FEDERAL STATEMENTS AS REQUIRED BY THE ELECTRONIC FUND TRANSFER ACT (EFTA) (15 U.S.C. SECTION A683 ET SEQ.) AND REGULATION E (12 CFR PART 205, ET SEQ.) AND ANY SPECIAL INSTRUCTIONS REGARDING THE USES OF YOUR PERSONAL IDENTIFICATION NUMBER (PIN) AND PASSWORD TO ACCESS NEIGHBORHOOD CREDIT UNION'S AUDIO RESPONSE SYSTEM, INTERNET HOME BANKING AND AUTOMATED TELLER MACHINES (ATMs). PLEASE BE CERTAIN TO READ THIS DISCLOSURE CAREFULLY AND NOTIFY US AT ONCE IF ANY PARTS ARE UNCLEAR.

This disclosure covers the ATM card, audio response system and home banking electronic fund transfer (EFT) services Neighborhood Credit Union currently offers. Some provisions may not currently be applicable to you.

Please read, print and retain this disclosure; it provides the procedures to be followed if you have an error or problem regarding your EFT services.

ATM CARD, AUDIO RESPONSE SYSTEM AND HOME BANKING AGREEMENT

This agreement applies to any electronic fund transfer made to or from your account(s) through the use of your debit card, automated teller machine card or at any ATM, or the use of your password in conjunction with our audio response system and/or home banking. An electronic fund transfer (called a "transaction") is the movement of funds other than a check or other paper instrument, which is performed through the use of an ATM, audio response, home banking, point-of-sale transaction, or other electronic device. You understand that your card and any access codes are issued by us and are not transferable.

ISSUANCE OF PIN AND PASSWORD

We will issue a Personal Identification Number (PIN) to be used in conjunction with your debit card and/or ATM card for transactions. Your password to use the audio response system or home banking for the first time is your social security number. You may change your password on the audio response or home banking system at any time.

YOUR LIABILITY UNDER THE ELECTRONIC FUND TRANSFER ACT FOR UNAUTHORIZED ACCESS TO YOUR SHARE ACCOUNTS

Tell Neighborhood Credit Union at once if you believe your cards, PIN, or password have been lost or stolen. Telephoning is the best way of keeping any possible losses to you at a minimum. You could lose all the money in your account(s) (plus your maximum overdraft line of credit).

If you believe your card(s), PIN, or password have been lost or stolen, and you tell us within two business days after you learn of the loss or theft, you can lose no more than \$50 if someone uses your card(s), PIN, or password without your permission.

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

Also, if your statement shows transactions 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 will not get back any money you lost after 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 hospital stay) kept you from telling us, we will extend the time periods.

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ADDRESS AND TELEPHONE NUMBER FOR NOTIFYING NEIGHBORHOOD CREDIT UNION

If you believe your card(s) or PIN have been lost or stolen, or that someone has transferred or may transfer money from your account(s) without your permission, call us between the hours of 9:00 a.m. to 4:30 p.m., Monday-Friday at 214-748-9393 or toll-free at 1-800-321-3728, or write:

Neighborhood Credit Union
P. O. BOX 224444
DALLAS, TX 75222-4444

BUSINESS DAYS

Our business days are Monday through Friday. Holidays are not included.

TYPES OF TRANSFERS AVAILABLE AND LIMITS ON TRANSFERS

In all cases, your ability to perform transactions is subject to there being sufficient funds available in your account(s).

NEIGHBORHOOD CREDIT UNION'S HOME BANKING SYSTEM

You may use a personal computer (PC) and an Internet service provider to access your account(s) through Neighborhood Credit Union's Internet Home Banking system to:

- Transfer funds between your share savings, checking account(s) and loan accounts.
- Determine the balance in your accounts.
- Apply for a consumer loan (available through our website)
- Obtain loan rates and savings certificate rates (available through our website)
- Verify cleared drafts, deposits, and withdrawals.
- View and print cleared draft copies.

NEIGHBORHOOD CREDIT UNION'S AUDIO RESPONSE SYSTEM

You may use a touch-tone telephone keypad to access your account(s) through Neighborhood Credit Union's audio response system to:

- Make a check withdrawal from your share savings or share draft account(s). The check will be mailed to your statement address.
- Transfer funds between your share savings, share draft account(s) and loan accounts.
- Determine the balance in your accounts.
- Verify cleared drafts, deposits, and withdrawals.
- Order stop pays on personal drafts

ATM CARD

You may use your Neighborhood Credit Union ATM card at any network ATM to:

- Withdraw cash from your share savings account and your checking account.
- Transfer funds between your share savings and checking account.
- Determine the balance in your share savings and checking account.

You may withdraw (subject to the limitations of the ATM machine you are using) up to \$500 (\$100 on FYI checking accounts) from an ATM machine within a 24 hour period.

CHARGES FOR TRANSACTIONS OR BALANCE INQUIRIES

Neighborhood Credit Union will charge you a fee (See fee schedule) for each transaction and each inquiry you make using any non-proprietary ATM. This is in addition to any fees that may be assessed by the owner of the ATM. All Neighborhood Credit Union-owned ATMs are free to Neighborhood Credit Union members. There are no transaction fees for Neighborhood Credit Union Audio Response and Home Banking.

DOCUMENTATION OF TRANSFERS

You will receive a receipt at the time you make any transaction using an ATM.

If your account is accessed through an ATM, debit card, audio response or home banking you will receive a monthly statement; otherwise you will receive a quarterly statement. Members with checking accounts will continue to receive monthly statements regardless of any EFT activity.

PREAUTHORIZED CREDIT

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 use Neighborhood Credit Union Audio Response System or Internet Home Banking for history and balance inquiries. You can also call us at the phone number listed in the section "Address and Telephone Number for Notifying Neighborhood Credit Union," above, to find out whether the deposit has been made.

NOTICE OF VARYING AMOUNT OF PREAUTHORIZED PAYMENTS

If pre-authorized payments to persons or companies vary in amount, the person or company you are going to pay will tell you 10 days before each payment when it will be scheduled and how much it will be. You may choose instead to get this notice only when the payment differs more than a certain amount from a previous payment, or when the amount would fall outside certain limits you set.

PROCEDURE FOR STOPPING PAYMENT OF PREAUTHORIZED TRANSFERS

If you have notified us in advance to make regular payments from your share savings or checking account(s), you can stop any of these payments which are made to companies other than Neighborhood Credit Union. To accomplish this:

- Telephone or write to us, using the phone number or address listed in the section “Address and Telephone Number for Notifying Neighborhood Credit Union,” above, in time for us to receive your request at least three business days before the payment is scheduled to be made.
- If you call, we will also require you to put your request in writing before we process the stop payment request.

LIABILITY FOR FAILURE TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS

If you order us to stop one of these payments at least three business days before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

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 sufficient funds in your account to make the transaction.
- If the transaction would go over the credit limit on your line of credit at the credit union.
- If the ATM at which you are making the transaction does not have enough cash.
- If the ATM was not working properly and you knew this when you started the transaction
- If circumstances beyond our control, such as fire or flood, prevent the transaction despite reasonable precautions that we have taken.
- If for security reasons a limited amount of cash is available at an ATM.
- If the funds are subject to legal process or other encumbrance restricting such transaction.
- If you have not properly followed instructions for operation of the ATM.
- If the transaction would exceed one of the established limits contained in this agreement.

DISCLOSURE OF INFORMATION TO THIRD PARTIES

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

- When it is necessary for completing transactions
- In the course of preparation, examination, handling, or maintenance of financial records by an officer, employee, or agent of Neighborhood Credit Union that has custody of the records
- In the course of examination of the financial records by a certified public accountant while engaged by Neighborhood Credit Union to perform an independent audit
- During the course of examination of financial records by, or the disclosure of financial records to, any officer, employee, or agent of a supervisory agency for use only in the exercise of that person's duty as an officer, employee, or agent
- In the course of publication of information derived from financial records, if the information cannot be identified to you or any particular account of yours
- In the course of making reports or returns required by federal law
- Under certain provisions of the Commercial Law Article of the Annotated Code of Texas relating to the dishonor of a negotiable instrument
- In an exchange, in the regular course of business, of credit information between Neighborhood Credit Union and any other fiduciary institution or commercial enterprise if made directly or through a consumer reporting agency
- To comply with any court order or applicable state law
- To appropriate officials in connection with the prosecution of any action concerning insufficient funds
- To the Texas Department of Human Resources to verify or confirm eligibility for public assistance
- If you give us your written permission

ERROR RESOLUTION PROCEDURE

In case of errors or questions about your transactions, telephone or write to us as soon as possible, using the phone number or address listed in the above section, "Address and Telephone Number for Notifying Neighborhood Credit Union." If you think your statement or receipt is in error, or if you need more information about a transaction listed in the statement or receipt, contact us. We must hear from you no later than 60 days after we sent the first statement on which the problem or error appeared.

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

If you tell us orally, we require that you send us your complaint or question in writing within 10 business days.

We will tell you the results of our investigation within 10 business days, or 20 business days if the notice of error involves an electronic fund transfer to or from the account within 30 days after the first deposit to the account was made, and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or questions, or up to 90 days if a notice of error involves an electronic fund transfer that:

- Was not initiated within a state
- Resulted from a point-of-sale debit card transaction
- Occurred within 30 days after the first deposit to the account was made

If we decide to do this, we will credit your account within 10 business days (or 20 business days, if applicable) for the amount you think is in error, so that you will have the use of your money during the time it takes us to complete our investigation. If we ask you to put your complaint in writing and we do not receive it within 10 business days (or 20 business days, if applicable), we may not re-credit your account.

If we decide that there was no error, we will send you a written explanation within three business days after we complete our investigation and re-debit your account. You may ask for copies of the documents that we used in our investigation.

SAFETY CONSIDERATIONS WHEN USING AN ATM

When using an ATM in an unfamiliar area, please consider the following:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you, particularly when using an ATM after dark.
- Do not display cash in the vicinity of the ATM. When the transactions have been completed, count the cash in the safety of your vehicle or home.
- If you notice anything suspicious, consider using another ATM or return later.
- If you notice anything suspicious while conducting the transaction, consider canceling the transaction and leaving the area.
- Report any crime to the local law enforcement officials and the operator of the ATM.

