

ELECTRONIC BANKING DISCLOSURE STATEMENT & CARDHOLDER AGREEMENT



**COLONIAL FEDERAL
SAVINGS BANK**
"Your neighborhood bank!"

This document includes a General Disclosure Statement and a Cardholder Agreement. We are providing you with the General Disclosure Statement in the event that you subscribe to **electronic funds transfer (EFT)**. EFT is a transfer of funds initiated through an electronic terminal, telephone, computer (Online/Mobile Banking) or magnetic tape for the purpose of ordering, instructing, or authorizing the Bank to debit or credit a customer's account. EFTs include, but are not limited to point-of-sale (POS), ATM, direct-deposits or withdrawal of funds, transfers by telephone, transfers by debit card, whether or not initiated through electronic terminals. (EFT withdrawals are not permitted on passbook accounts)

Services provided through use of Telephone Banking. You may perform the following functions through use of Telephone Banking:

- You may initiate transfer of funds between your checking and money market accounts, checking and statement savings accounts, and statement savings and money market accounts.
- You may make balance inquiries on your checking account(s), money market account(s), and statement savings account(s).
- You may make payments on consumer loans, home mortgage loans, and home equity loans that you have with us.
- You may perform other transactions such as: You may change your PIN via the telephone.

Preauthorized Transfer Services.

- You may arrange for the preauthorized automatic deposit of funds to your checking account(s), money market accounts(s), statement savings account(s), and passbook savings accounts(s)
- You may arrange for the preauthorized automatic payment of bills from your checking account(s) and money market accounts(s), and you may arrange for a pre-authorized automatic transfer "sweep" to your checking account(s) from these linked accounts to cover overdrafts.

If you request or have a Colonial Federal Savings Bank ATM/ Debit MasterCard ("Card"), the Cardholder Agreement explains the services available to you and, together with the General Disclosure Statement, sets forth your rights and responsibilities in connection with the use of the Card. These constitute a legally binding contract and by using the services, you agree to comply with the terms.

GENERAL DISCLOSURE STATEMENT - EFT

In addition to any other agreements applicable to such services, the following terms and conditions govern these services and are being provide to you in Accordance with Federal and State laws:

1. YOUR ABILITY TO STOP PAYMENT.

The initiation by you of certain EFTs from your account will, except as otherwise provided in this Agreement, effectively eliminate your ability to stop payment of the transfer.

2. PREAUTHORIZED PAYMENTS (ACH)

(Does not apply to the Bill Payment Service)

- a. **Your right to stop payment and procedures for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how: Call us at (617) 471-0750, or writing to:

**Colonial Federal Savings Bank
15 Beach Street, Quincy, MA 02170**

In time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, you may also be required to put your request in writing and get it to us within 14 days after you call. We will charge you \$25 for each stop payment. Once we have processed your stop payment request we will stop all payments in the amount indicated by you to the third party named in your request, unless you instruct us in writing to resume making such payments. For preauthorized transfers originated by a third party, cancellation must be originated through the third party originator. Any unauthorized payments will be handled by the method outlined in section 7.

- b. **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, which you prove are caused directly by our failure to stop payment.
- c. **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.

3. DOCUMENTATION OF TRANSFERS:

- a. **Terminal transfers.** You will be offered a receipt at the time you make any transfer to or from your account using an automatic teller machine (ATM), as well as for purchases. *(Merchants are not required to issue receipts for low transaction amounts i.e.: \$15 or less.)*
- b. **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same third party (such as a company or government agency) and the third party does not tell you that the deposit has been sent, you may call us at the following numbers to find out whether the deposit has been made: **1-888-865-5507** - Telephone Banking Center, or 617-471-0750 to reach a Customer Service Representative.
- c. **Periodic statements.** You will get a monthly account statement, unless there are no transfers in a particular month. In any case you will get the statement at least quarterly.
- d. **Passbook Accounts where the only possible electronic fund transfers are preauthorized credits.** If you bring your passbook to us, we will record any electronic deposits that were made to your account since the last time you brought in your passbook.

- e. **Any documentation** provided to you, which indicates that an EFT was made, shall be admissible as evidence of such transfer and shall constitute prima facie proof that such transfer was made.
4. **OUR BUSINESS DAYS.** For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.
5. **OUR LIABILITY IF WE FAIL TO MAKE CERTAIN TRANSFERS OR BILL PAYMENTS** is governed by Federal and State laws. The following is a summary of those laws and is provided for your information; it is not intended to affect our or your rights under the laws. If we do not complete a transfer to or from your accounts on time or in the correct amount according to the agreement with you, we will be liable for your losses or damages which you prove are caused directly by our action. However, there are some exceptions.

We will not be liable, for instance:

- a. If, through no fault of ours, you do not have sufficient money in your account to make the transfer or bill payment;
 - b. If we are restricted legally from transferring the funds;
 - c. If circumstances beyond our control (such as fire or flood) prevent the transfer or bill payment despite reasonable precautions that we have taken;
 - d. If the ATM you are using does not have enough cash; or
 - e. If the ATM, store terminal, network or bill payment service was not working properly when you started the transfer or bill payment;
 - f. If information supplied by you is incorrect (payee name & address, your name & account number as it appears on payee records).
 - g. If a bill payment is made to a prohibited payee (refer to the Online Banking & Bill Payment Agreement on colonialfed.com).
 - h. There may be other exceptions stated in our agreement with you.
6. **WHEN WE MAY DISCLOSE INFORMATION TO THIRD PARTIES CONCERNING YOUR ACCOUNTS.** In order that your privacy may be protected, we will not disclose any information about you or your account to any person, organization, or agency, except:
- a. for disclosures necessary for the completion of a transfer;
 - b. for verification of the condition and existence of your account for credit bureau or merchant;
 - c. to persons authorized by law in the course of official duties;
 - d. to our employees, auditors, service providers, attorneys or collection agents in the course of their duties;
 - e. pursuant to a court order or lawful subpoena;
 - f. to a consumer reporting agency as defined in Chapter 93 of the Massachusetts General Laws; or
 - g. by your written authorization which shall expire automatically after 45 days.

If an unauthorized disclosure has been made we must inform you of the particulars of the disclosure within 3 days after we have discovered that an unauthorized disclosure has occurred.

7. **IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC BANKING**

Telephone us at **(617) 471-0750** Monday through Friday (excluding holidays) between 9:00A.M. & 4:00P.M. or write to us promptly at:

Colonial Federal Savings Bank
15 Beach Street, Quincy, MA 02170

Or, complete a secure "Contact Us" form at www.colonialfed.com. 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, you should contact us only at the above telephone number or address.

We must hear from you no later than 60 days after we sent you 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 transfer you are unsure about, and clearly explain why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.
- (4) Tell us a telephone number at which you can be reached in case we need further information.

If you notify us orally, we require you to send us your complaint or question in writing within 10 business days. We will report to you the results of our investigation within 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 45 days 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 do not receive your complaint or question in writing within 10 business days, we may not credit your account. For errors involving new accounts, point-of-sale, or foreign-initiated transaction, 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 decided 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 your alleged error concerns a transfer to or from a third party (for example, a Social Security payment) our investigation may be limited to a review of our own records. If we decide that there was no error, you may want to contact such third party to pursue the matter further.

ELECTRONIC CHECK CONVERSION (ECK): 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:

- (i) Pay for purchases
- (ii) Pay bills

This may occur at the point of purchase, or when you provide your check by other means such as by telephone, mail or drop box. Payees must obtain your authorization for each ECK.

8. **PROTECTED CONSUMER USE OF ELECTRONIC FUND TRANSFER SERVICES.** Chapter 167B of the Massachusetts General Laws was enacted to provide a means for financial institutions, business, and consumers to conduct their business relations more conveniently. Transferring funds

electronically will supplement the use of checks, credit, and cash and will not replace these present methods of doing business. As a consumer, you should be aware of your rights if you choose to utilize this system.

- a. **Prohibition of compulsory use.** No person may require you to: (1.) use a preauthorized electronic transfer as a condition for the extension of credit unless the credit is being extended in connection with an Advance Account to maintain a specific minimum balance in your account. (2.) require you to pay electronically for the purchase of goods or services.

If your account is to be credited by a preauthorized transfer you may choose the financial institution to which the transfer may be made, if the institution is technically capable of receiving such transfer.

- b. **Waiver of rights.** No writing or agreement signed by you can waive the rights conferred to you by Chapter 167B of the Massachusetts Laws unless you decide to waive these rights in settlement of a dispute or action.
 - c. **Discounts prohibited.** A retail business or store which contains an electronic terminal may not offer a discount to you to encourage purchases by EFT rather than by cash, check or charge.
 - d. **Refunds.** If it is the policy of a retail business or store to give cash refunds in return for an item purchased by cash, then this policy must also cover refunds for items purchased by EFT, unless it is clearly disclosed at the time the transaction is consummated that no cash or credit refunds are given for payments made by electronic fund transfer.
 - e. **Suspension of obligations.** If a person agrees to accept payment by means of an EFT and the system malfunctions preventing such a transfer, then your obligation is suspended until the transfer can be completed unless that person, in writing, demands payment by other means.
 - f. **Prohibited means of identification.** Your Social Security number cannot be used as the primary identification number, although it can be used as a secondary aid to identify you.
 - g. **Criminal liability.** Procuring or using a Card, code, or other means of electronic access to an account with the intent to defraud is a basis for criminal liability.
9. **Amendments.** We may amend the above terms and conditions at any time. We will give you written notice at least 30 days before the amendment becomes effective if the amendment will result in increased costs or liability to you or stricter limitations on the transfers you make. If, however, an immediate change in the terms and conditions is necessary for security reasons, we may amend these terms and conditions without such prior notice.
10. **Governing Law; Conflict with Applicable Law.** The above provisions will be construed in accordance with the laws of the Commonwealth of Massachusetts. In the event of any conflict between these provisions and any applicable law or regulation, these provisions shall be deemed modified to the extent, and only to the extent, required to comply with such law or regulation.
11. **Other Limitations.**

We reserve the right to impose limitations for security purposes at any time.

LIMITS ON TRANSFERS FROM CERTAIN ACCOUNTS. Federal regulations limit the number of checks, telephone transfers, online transfers and preauthorized electronic transfers to third parties (including Point of Sale transactions) from money market and savings type accounts. You are limited to six such transactions from each money market and/or savings type account(s) you have each statement period for purposes of making a payment to a third party or by use of a telephone or computer.

II CARDHOLDER AGREEMENT

1. **USE OF CARD.** A card cannot be used until it is activated. Call 1-888-448-8268 to activate the card or use it at an ATM with your Personal Identification Number (PIN), which will be mailed to you a day after the card. THE CARD AND PIN ARE PROVIDED FOR YOUR USE ONLY, AND YOU AGREE TO RETAIN THEM AND NOT PERMIT OTHER PERSONS TO LEARN YOUR PIN. THE PIN MUST NOT BE WRITTEN ON, OR KEPT WITH THE CARD. You can only use the card for transactions on accounts designated by us, such as a checking account or statement savings account. Such accounts will be referred to in this Cardholder Agreement as "designated accounts". Your designated accounts may be accessed through the NYCE, MoneyPass, SUM, MasterCard, Maestro and Cirrus ATM networks, as well as at Debit MasterCard merchants.

YOU MAY USE YOUR CARD AND PIN AT ANY AFORE MENTIONED ATMS OR POINT OF SALE (POS) TERMINAL TO:

- a. Withdrawal cash from your designated accounts up to the collected balance or Card limit, whichever is less;
- b. Make deposits to your designated accounts.
- c. Pay for purchases at places that have agreed to accept the Card or Card & PIN.
- d. Transfer funds between your designated accounts whenever you request.
- e. Pay bills directly or by telephone from your designated accounts in the amounts and on the days you request.
- f. conduct other transactions as we add services. We will notify you when such services are available.

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

2. **AUTHORIZATION.** You authorize us to charge your designated account(s) for money disbursed and to credit your designated account(s) for deposits received in connection with transactions involving the use of the card. Deposits can be made only at Colonial Federal Savings Bank terminals.
3. **LIMITATION ON TRANSACTIONS:** Cards are issued with limits on purchases and ATM withdrawals for security reasons.
 - (i) You may withdrawal up to \$500 from ATMs each calendar day you use the Card/PIN.
 - (ii) You may buy up to \$500 worth of goods or services each calendar day you use the Card/PIN at point-of-sale terminals.

YOUR ATM/Debit MasterCard MAY NOT BE USED TO PERFORM AN ILLEGAL TRANSACTION!

Your card and account may only be used for valid and lawful purposes. If you use, or allow someone else to use the card or account for any other purposes, you will be responsible for such use and may be required to reimburse Colonial Federal Savings Bank and MasterCard Worldwide for all amounts or expenses either institution pays as a result of such use. You may not use your card for a transaction that would cause the collected balance of any of your designated accounts to be less than zero. Nor may the card be used to transfer money to or from accounts,

which you do not have, or which are not “designated accounts”. We shall not be required to complete any such transactions but, if we do, you agree to pay us any excess amount or any improperly withdrawn or transferred amount immediately upon request from us. We may impose additional restrictions or limitations on the use of your card when we believe they are necessary to safeguard the card against misuse.

4. **MAINTENANCE OF ACCOUNTS.** As long as this Cardholder Agreement remains in effect, you agree to maintain at least one of your designated accounts. Should all of your designated accounts close, your card privileges will be canceled and we may retain the card if you attempt to use it. Your designated accounts shall continue to be governed by your other agreements with us concerning those accounts and by our rules and regulations concerning those accounts to the extent that such agreements are not inconsistent with this Cardholder Agreement.
5. **OWNERSHIP OF CARD.** The card is not transferable and remains our property. You agree to return the card to us immediately upon our demand. For your protection, ATMs are programmed to retain cards in certain circumstances.
6. **UNAUTHORIZED TRANSFERS AND ADVISABILITY OF PROMPT REPORTING.** If you believe your CARD and/or PIN has been lost or stolen, call: **617-471-0750** or write: Colonial Federal Savings Bank
15 Beach Street, Quincy MA 02170
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. **Cards can be closed through Online Banking, which also provides a secure messaging option for contacting the Bank.**
7. **LIMITS OF LIABILITY: TELL US AT ONCE IF YOU BELIEVE YOUR CARD AND YOUR PIN, OR EITHER ONE OF THEM, HAS BEEN LOST OR STOLEN, OR IF YOU BELIEVE THAT AN ELECTRONIC FUNDS TRANSFER HAS BEEN MADE WITHOUT YOUR PERMISSION USING INFORMATION FROM YOUR CHECK. Telephoning is the best way of keeping your possible losses down (617) 471-0750.** You could lose all the money in your account (plus your maximum overdraft line of credit). Colonial Federal will not hold you responsible for fraudulent Card activity. Also, if your statement shows transfers that you did not make, including those made by Card, code or other means, tell us as one. 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 60 days if we can prove we could have stopped someone from taking the money had you 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.
8. **REPLACEMENT OF LOST OR STOLEN CARDS.** If you ask us to issue you a replacement card, you agree to pay us a fee for the replacement card, which may be charged to your designated account. Refer to the Products Services & Prices disclosure for fee information.
9. **COLLECTION EXPENSES.** If we have to sue you or take other actions to collect amounts you owe us under this Cardholder Agreement, you will pay our reasonable expenses, including attorney’s fees, to the extent permitted by applicable law.
10. **TERMINATING THIS CARDHOLDER AGREEMENT.** You may terminate this Cardholder Agreement at any time by notifying us in writing and no longer using your card & PIN. We may terminate this Cardholder Agreement at any time. If the Cardholder Agreement is terminated, we shall no longer be obligated to complete transactions involving the card. Termination of this Cardholder Agreement will not affect your obligations under this Cardholder Agreement for transactions completed with the card even if those transactions are completed after the termination date.
11. **CHANGES TO THIS CARDHOLDER AGREEMENT.** We retain the right to change this Cardholder Agreement at any time. If a change will impose greater costs, increase your liability under this Cardholder Agreement, or limit the types or frequency of transactions which may be accomplished using the Card and PIN, we will mail you a notice of such changes at least 30 days before it becomes effective. We do not have to notify you in advance if an immediate change is necessary for security reasons.
12. **NOTICES.** Notices sent by us shall be effective when mailed to you at your last address that appears in our records. Except as otherwise provided in this agreement or by applicable law, notices from you to us must be in writing and will be effective when received by us.
13. **GOVERNING LAW: Conflict with Applicable Law.** This Cardholder Agreement will be construed in accordance with the laws of the Commonwealth of Massachusetts. In the event of any conflict between the provisions of this Cardholder Agreement and any applicable law or regulation, the provisions of this Cardholder Agreement shall be deemed modified to the extent, and only to the extent, required to comply with such law or regulation.
14. **NOTICE REGARDING ATM FEES* BY OTHERS:** When you use an ATM not owned by us, you may be charged a fee by the ATM operator and/or by any network used. You may be charged a fee for a balance inquiries or transfer even if you do not complete a fund transfer.
15. **EXCHANGE RATE.** For transactions not completed in US Dollars, MasterCard International Inc. will convert the charge into a US Dollar amount. MasterCard will use its currency conversion procedures, which are disclosed to institutions that issue MasterCard cards. Currently the exchange rate between the transaction currency and the billable currency is either the wholesale market date or government-mandated rate at the time the transaction was presented to MasterCard for settlement (usually the day after the item is deposited at the merchant’s bank). The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

*Refer to our Products Services & Prices disclosure for fees imposed by Colonial Federal Savings Bank.

