

BILL PAYER DISCLOSURE



Access to the Bill Payer service is available to members with Checking Accounts. This agreement must be accepted the first time the user access Bill Payer, and you may be required to accept disclosure updates in the future. We provide this disclosure here as a reference only.

BILL PAYER AGREEMENT/DISCLOSURE REVISED SEPTEMBER 1, 2009

This is your bill paying agreement with Carolinas Telco Federal Credit Union. You may use Carolinas Telco Federal Credit Union's bill paying service, Telco Bill Payer, to direct Carolinas Telco Federal Credit Union to make payments from your designated checking account to the "Payees" you choose in accordance with this agreement. You may also at the credit union's option access Account and transaction information and order transfers of funds among your eligible Account(s). Not all credit union accounts are eligible for electronic transfers or bill payments using the Service. The terms and conditions of this agreement are in addition to the account agreements, disclosures and other documents in effect from time to time governing your account (The Account Rules).

"You" or "Your" means each person who is authorized to use the service. "Payee" means anyone, including the Credit Union, you designate and the Credit Union accepts as a "Payee".

FEES AND CHARGES

What are the costs and fees?

- No Monthly Fee
- You are allowed unlimited transactions
- No Set-Up Fee

Miscellaneous Product Fees

- Overnight Fee: \$14.95
- 2nd Day Fee: \$9.95 Standard or \$4.95 Economy
- Charitable Donations: \$1.99
- Gift Pay: \$2.99

Note: Other account-related fees, such as for Stop Payments and NSFs, will still apply as appropriate. Because of the nature of how the Bill Payer service sends a payment, with a withdrawal of funds to submit the payment to your payee, the only way to return the funds back to your account is through a Stop Payment. If received prior to 1:00, funds should deposit by the next business day. To return the funds to your account, from a check that has not cleared, we generally will not charge a Stop Payment Fee, but we reserve the right to do so, in the event the payments are being scheduled with the intent to have a Stop Payment placed on the payment. We also reserve the right to charge a Stop Payment Fee if the credit union, at the request of the member, conducts a manual cancellation of a scheduled payment prior to the payment being sent out. The Bill Payer site will allow you to cancel Scheduled Payments before the Process Date, if

it can be cancelled, and we will require you to make such cancellations through the Bill Payer site. If the site will not allow you to cancel the payment because it has reached the Process Date, contact the credit union. The request would have to be made to the credit union by 12:30 EST on the day that the funds withdraw from your account. There is no guarantee that the credit union will be able to cancel the payment from a member's request.

If you do not schedule a Bill Payment within a 6-month period, we may close the Bill Payer account. However, if you wish to re-open it, we will do so at no charge.

HOW TO SET UP PAYEES/PAYMENTS

- If you want to add a new "PAYEE", select the "Payee" tab located in your Bill Pay application or speak to a service representative.
- You may add a new fixed payment to a "Payee" by accessing the service and entering the appropriate information. Most other additions, deletions, or changes can be made in writing or by using the service.
- The Credit Union reserves the right to refuse the designation of a "Payee" for any reason.
- You may pay any "Payee" with-in the United States (including U.S. territories and APO's / AEO's).
- The Credit Union is not responsible for payments that cannot be made due to incomplete, incorrect, or outdated information.

THE BILL PAYING PROCESS

Single Payments - a single payment will be processed on the business day (generally Monday through Friday, except certain holidays) that you designate as the payment's process date, provided the payment is submitted prior to the daily cut-off time on that date. The daily cut-off time, which is controlled by the Credit Union, is currently 2:00 PM Eastern. The payment will begin processing on the date you request, but the funds will not be withdrawn from your checking account until the next business day.

A single payment submitted after the cut-off time on the designated process date will be processed on the next business day. If you designate a non-business date (generally weekends and certain holidays) as the payment's process date, the payment will be processed on the first business day following the designated process date.

Recurring Payments - When a recurring payment is processed, it is automatically rescheduled by the system. Based upon your selected frequency settings for the payment, a process date is calculated for the next occurrence of the payment. If the calculated process date is a non-business date (generally weekends and certain holidays), it is adjusted based upon the following rules:

If the recurring payment's "Pay Before" option is selected, the process date for the new occurrence of the payment is adjusted to the first business date prior to the calculated process date.

If the recurring payment's "Pay After" option is selected, the process date for the new occurrence of the payment is adjusted to the first business date after the calculated process date.

Note: If your frequency settings for the recurring payment specify the 29th, 30th, or 31st as a particular day of the month for processing and that day does not exist in the month of the calculated process date, then the last calendar day of that month is used as the calculated process date.

We may remit your payments by mailing your payee a paper check, by electronic funds transfer, or by other means. Payees who receive electronic delivery of payments will receive your payment information by computer link. Electronic payments are generally received and credited by most payees within two (2) Business Days after we have processed the payment. We may also send payments by a draft drawn on an account we maintain for this purpose. We send all checks through the United States mail. Payments made with a paper draft are generally received and credited by most payees within five to seven Business Days after we have processed the payment. We are not responsible for postal delays or processing delays by the payees. Occasionally, a payee chooses not to participate in the service, or may be unable to process payments in a timely manner. In such cases, we may decline to make future payments to these payees; and we will send you a notice of this.

SINGLE AND RECURRING PAYMENTS

The system will calculate the Estimated Arrival Date of your payment, this is only an estimate, please allow ample time for you payments to reach your "Payees".

CANCELLING A PAYMENT

A bill payment can be changed or cancelled, any time prior to the cutoff time on the scheduled process date.

AVAILABLE FUNDS

You agree to have available and collected funds on deposit in the account you designate in amounts sufficient to pay for all bill payments requested, as well as, any other payment obligations you have to the Credit Union.

- The Credit Union reserves the right, without liability, to reject or reverse a bill payment if you fail to comply with the above requirement or any other term of this agreement.
- If you do not have sufficient funds in the account and the Credit Union has not exercised its right to reverse or reject a bill payment, you agree to pay for such payment obligations on demand.
- You further agree the Credit Union, at its option, may charge any of your accounts with the Credit Union to cover such payment obligations.

The Credit Union reserves the right to change the cut-off time.

GUARANTEE FOR BILL PAYMENTS

We will reimburse you for any late payment fees or penalties you are charged, up to a maximum of \$50.00 per scheduled payment, as a result of our failure to deliver a payment made to a business by the scheduled Due Date if you meet each of the following obligations:

- (a) You must properly schedule the payment to be processed at least five Business Days prior to the Due Date. For Same Day Payments, this means that you must schedule your payments to be processed before 2:00 p.m. Eastern Time, USA, on a Business Day at least five Business Days prior to the Due Date. Mortgage payments differ from other Recurring Payments in the following manner: if your mortgage payment is due on the first of each month with a fifteen day grace period, then you must schedule your mortgage payment to be processed on or before the third calendar day of each month, or the payment guarantee will not apply.
- (b) You must provide us with the correct payee name, address account information and the correct payment amount.
- (c) Your Designated Bill Paying Account, including any overdraft protection, must contain sufficient funds to complete the payment or transfer on the Account Debit Date.
- (d) The payment must be made to a business.
- (e) The late payment fee or penalty or the method of calculation must be published by the payee prior to the Due Date.
- (f) Your PC hardware, software, telephone line, and internet service provider, if applicable, must be functioning properly.

GUARANTEE FOR 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 direct losses or damages. This liability is in addition to the payment guarantee for bill payments. However, there are some exceptions. We will not be liable, for instance:

- (a) if, through no fault of ours, you do not have the funds available in your Account to make the transfer or payment;
- (b) if the transfer or payment would go over the credit limit on your overdraft line;
- (c) if the funds in your Account are subject to legal process or other encumbrances restricting such transfer;
- (d) if the Service or your personal computer or modem is not working properly and you know about the malfunction when you started the transfer or payment;

- (e) the Payee Information necessary to complete the payment is not provided to us and/or the host has been lost;
- (f) a payee mishandles or causes delays in handling payments sent by us;
- (g) you have not provided us with the correct payee name, address, account information, or payment amount;
- (h) circumstances beyond our control prevent the proper completion of the transaction despite reasonable precautions by us to avoid these circumstances. Such circumstances include, but are not limited to, fire, flood, delay in U.S. mail, interruption in your electrical power or telephone, the disconnecting of your telephone line by your local telephone company or from deficiencies in your line quality, or any defect or malfunction of your PC, operating software, modem, or telephone line.
- (i) for any indirect, special or consequential damages you may incur.

EXPEDITED PAYMENT GUARANTEE

If we cause processing delays of your rush bill payment that result in late fees, we will cover up to \$50 of those fees. This guarantee covers only things within our control. Our guarantee does not cover losses which you cause, or payment processing delays which are not caused by us or within our control, such as your failure to schedule delivery of your rush payment sufficiently in advance of the Payee's due date for the payment to arrive on time (before the grace period begins) or subsequent posting of the payment is delayed by the Payee. You will need to document to us any late fees that you incur as a result of your rush payment being delivered after the scheduled delivery date.

As a precondition to this guarantee, you agree not to enter into any agreements where one of the purposes is to generate late payment fees. The risk of incurring and the responsibility for paying any and all late charges or penalties shall be borne by you in the event you do not follow the procedures.

BUSINESS DAYS

Our Business Days are Monday through Friday. Federal Reserve and credit union holidays are not business days. You may use the Service twenty-four hours a day, seven days a week, except during maintenance periods, for the scheduling, modification or review of payment orders, and for funds transfers and balance inquiries, however, bill payments can be processed only on a Business Day.

LIABILITY

You are solely responsible for controlling the safekeeping of and access to, your Personal Identification Number (PIN) or Password. You agree not to give or make available your User ID, Password, or account number(s) to any person who is not authorized to access your Designated Bill Paying Account and other Accounts. If someone to whom you have granted authority to use your User ID and Password exceeds such authority, you are fully liable for all transfers and payments made by such

person until you have notified us that you have terminated the authority granted to such person and have given us a reasonable period of time to act upon such notice. We may require that you put such notice in writing. Upon receipt of such notice we may require you to immediately change your User ID and Password, and to identify the person or persons you believe to have exceeded such authority. You agree to cooperate with us in the investigation and prosecution of any person who has obtained and used your User ID and Password without your authorization.

Tell us at once if you believe your User ID and Password have 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 believe your User ID and 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 \$50.00 if someone used your User ID and Password without your permission.

If you do not tell us within two Business Days after you learn of the loss or theft of your User ID and Password, and we can prove that we could have stopped someone from using your User ID and Password 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 days after the statement was mailed to you, you may not get back any money you lost after the sixty 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.

- If you want to terminate another person's authority, you must notify the Credit Union and arrange to change your PIN or Password.
- You will be responsible for any bill payment request you make that contains an error or is a duplicate of another bill payment.
- The Credit Union is not responsible for a bill payment that is not made if you did not properly follow the instructions for making a bill payment.
- The Credit Union is not liable for any failure to make a bill payment if you fail to promptly notify the Credit Union after you learn that you have not received credit from a "Payee" for a bill payment.
- The Credit Union is not responsible for your acts or omissions or those of any other person, including, without limitation, any transmission or communications facility, and no such party shall be deemed to be the Credit Union's agent.
- In any event, the Credit Union will not be liable for any special, consequential, incidental, or punitive losses, damages, or expenses in connection with this agreement or the service, even if the Credit Union has knowledge of the possibility of them.
- The Credit Union is not liable for any act, failure to act or delay in acting if it is caused, in whole or in part, by any cause beyond the Credit Union's reasonable

control.

AMENDMENT TERMINATION

The Credit Union has the right to change this agreement at any time by notice mailed to you at the last address shown for the account on the Credit Union's records, by posting notice in branches of the Credit Union, or as otherwise permitted by law.

- The Credit Union has the right to terminate this agreement at any time.
- You may terminate this agreement by written notice to the Credit Union.
- The Credit Union is not responsible for any fixed payment made before the Credit Union has a reasonable opportunity to act on your termination notice.
- You remain obligated for any payments made by the Credit Union on your behalf.