

# Online Banking and Bill Pay Service Terms and Conditions

## Introduction

This agreement is the contract that covers your rights and responsibilities, as well as Harborstone Credit Union's, concerning Online Banking, Online Bill Pay ("Bill Pay"), and Electronic Statement ("eStatement") services offered to you by Harborstone Credit Union ("credit union"). In this agreement, the words "you" and "yours" refer to those who submit an Online Banking authorization form and any authorized users. The word "account" means any one or more share accounts you have with the credit union.

By submitting your online authorization to use the Online Banking service, you agree to the following terms governing your and the credit union's rights and responsibilities concerning the Online Banking electronic funds transfer ("EFT") services. EFTs are electronically initiated Online Banking and Bill Pay transactions involving your deposit accounts.

## Online Banking Services

Upon approval, you may use your personal computer to access your accounts. You must use your member number along with your security code to access your accounts. The Online Banking service is accessible seven days a week, 24 hours a day.

However, from time to time, some or all of Harborstone's Online Banking services may not be available due to system maintenance. During such times, you may use Telephone Banking at (253) 584-2260 or 1-800-523-3641 or visit one of the credit union's branches.

You will need a personal computer and a web browser. The link to the credit union's Online Banking service can be found at Harborstone.com. You are responsible for the installation, maintenance, and operation of your computer and internet connection. The credit union will not be responsible for any errors or failures involving any internet connection or your computer. At the present time, you may use the Online Banking service to:

- Transfer funds between your savings, checking, and money market accounts.
- Transfer funds from your checking or savings account to a loan account.
- Review account balance and/or transaction history for checking, savings, money market, certificate, and IRA accounts.
- Review information on your loan accounts, including balance information, interest rates, scheduled payment amounts, and next payment due dates.
- Make bill payments from your checking account using the optional Bill Pay service.

Transactions involving your deposit accounts will be subject to the terms of your membership and account agreement, and transactions involving a loan or line of credit account will be subject to your loan agreement and disclosures, as applicable.

## Online Banking Service Limitations

The following limitations on Online Banking transactions may apply:

- **Transfers.** You may make funds transfers to your other accounts as often as you like. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this agreement or your deposit or loan agreements. The credit union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require the credit union to increase its required reserve on the account. The credit union may set other limits on the amount of any transaction, and you will be notified of those limits.
- **Account Information.** The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for any ATM deposit transactions and the credit union's funds availability policy.
- **Email.** You may use your email service to send messages to the credit union. Email may not, however, be used to initiate a transfer on your account or a stop-payment request. To place a stop payment, you can use the "Secure Email Form" link under the "Additional Services" tab inside Online Banking. To make a transfer between accounts, you can use the "Account Transfer" link, which is under the "Move Money" tab inside Online Banking. The credit union may not immediately receive email communications that you send, and the credit union will not take action based on email requests until the credit union actually receives your message and has a reasonable opportunity to act. If you need to contact the credit union immediately regarding an unauthorized transaction, you may call the credit union at the telephone numbers set forth in the "Member Liability" section below.
- **Bill Pay Service.** When you apply for the Bill Pay service, you must designate your Harborstone checking account as the account from which authorized payments will be deducted. If your application for Bill Pay service is approved, you will be given the ability to set up merchants, institutions, or individuals you would like to pay. You are not permitted to designate governmental agencies or courts. The credit union reserves the right to not allow the designation of a particular merchant or institution.

You or any persons you have authorized to use your Bill Pay service, Online Banking service, sign-on password, or any access code can perform the following transactions:

- Pay any designated merchant, institution, or individual in accordance with this agreement a fixed recurring amount or a variable amount "on demand" from your designated credit union checking account.
- Obtain information (payee information, payment status information, etc.) about your Bill Pay account status.
- **Bill Pay Transactions.** You authorize the credit union to process bill payments from your designated account. You may use the Bill Pay service to initiate three different types of payment transactions:

- “On demand” payments are payments that are not recurring. The payments can be canceled or changed through Bill Pay up until midnight before your scheduled debit date.
- “Future” payments are payments that you initiate by setting the payment amount and due date. The payments can be canceled or changed through Bill Pay up until midnight before the scheduled debit date.
- “Recurring” payments are payments that are recurring on a fixed due date and at a fixed amount. You have an option in the Bill Pay system to set automatic payments to continue indefinitely or until a set maturity date. The payment can be canceled or changed through Bill Pay up until midnight before the scheduled debit date.
- **Authorized Payments.** When you transmit a bill payment instruction to the credit union, you authorize the credit union to transfer funds to make the bill payment transaction from your designated checking account. The credit union will process bill payment transfer requests only to those payees the credit union has designated in its user instructions and such payees as you authorize and for whom the credit union has the proper payee code number. The credit union will not process any bill payment transfer if it knows the required transaction information is incomplete. In any event, the credit union will not be liable for any transaction that contains incorrect information the credit union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, the credit union may refuse to make the payment, make the payment and transfer funds from any overdraft protection account you have established, or make the payment and thereby overdraw the payment account. In any event that you have insufficient funds in your payment account to make the bill payment request, you are responsible for any nonsufficient funds ("NSF") or overdraft charges the credit union may impose. You are also responsible for any NSF charges, finance charges, and/or late fees imposed by the bill payment provider and/or the merchant(s) you intended to pay with your bill payment account. The credit union reserves the right to refuse to process payment instructions that reasonably appear to the credit union to be fraudulent or erroneous.
- **Processing Payments.** The amount of your requested bill payments will be deducted from your account on the scheduled debit date and will be posted within two business days of the date the payment is transmitted to the payee. You will receive a confirmation number at the time of each transaction. Therefore, you must have sufficient funds available to cover your payment on the scheduled initiation date.

Bill payments are delivered to the payee either electronically, which may take up to three business days from the scheduled debit date, or by check (to those payees not set up to accept electronic payments), which may take up to five business days from the scheduled debit date. It is your responsibility to schedule your bill payments in such a manner that your obligations will be paid on time. You should enter and transmit your bill payment instructions at least five business days before a bill is due. If you do not allow sufficient time, you assume full responsibility for any late payments or finance charges that may be imposed as a result of your failure to transmit a timely bill payment authorization.

- **Canceling or Changing Bill Payments.** Payments designated as “on demand” transactions cannot be stopped, canceled, or changed once your Bill Pay session has ended. You may

cancel or stop payment on future and recurring bill payment instructions under certain circumstances by following the instructions provided. If you discover an error in or want to change a payment instruction (i.e., payment date or payment amount) for a bill payment you have already scheduled for transmission through the Bill Pay service, you may electronically edit or cancel your payment request through the Bill Pay service. Your cancellation request must be entered and transmitted through the Bill Pay service before the date you have scheduled for payment. If your request is not entered in a timely manner, you will be responsible for the payment.

## **eStatement Services**

By accepting the terms below, you agree to receive your periodic account statements online through the credit union's eStatement service from this point forward. Your online statements may include the periodic account and transaction activity for your deposit and loan accounts, notices for insufficient funds or certificate maturity and other similar account notices, year-end tax statements for dividends earned and mortgage interest paid, and any disclosures. You also agree to receive any notices and disclosures required by regulation, such as changes in your account terms and your annual privacy policy, which will be made available through the eStatement console.

The credit union will send you an email whenever your monthly statement, account notice, or tax form is available for review. Once you receive the email, you can access your statement by logging in to Online Banking and clicking on the "eStatements" link under the "Additional Services" tab. You will need Adobe Acrobat Reader software to read your statements, which can be downloaded at no charge from the eStatement registration screen. You will be able to access, download, and print your statements and other documents online for a period of 12 months. A statement copy/account history printout fee may apply for requests beyond the 12-month period.

You have the right to request and receive your statements and other documents in paper form, and you may withdraw your consent to receive eStatements at any time. To do this, click on the "eStatements" link, then select "Change Registration Information," and then click the link to discontinue accounts. Select the account(s) you wish to discontinue, and click "Submit." There are no fees or account restrictions for choosing to withdraw your consent for eStatements.

Please note that there may be a delay in processing eStatement registrations for new Online Banking members. Please allow up to two business days after joining Online Banking before changing your eStatement registration.

There may also be a delay in processing eStatement information at the end of a business month. If you register for eStatements during the last three business days of the month, you may receive your next statement in paper form. Future statements will be received electronically.

## **Security of Access Code**

- **Initial Access.** After you have successfully completed and submitted the Online Banking Registration Form, a representative from the credit union will contact you to initiate your use of the service via email. After you have successfully accessed the Online Banking service, you will then select a specific, personal password to access the Online Banking service for future access

to the system. After your initial sign-on, you may change your password at any time by selecting the appropriate function from the user options menu within the Online Banking service.

- **For Bill Pay Service.** Approximately three business days after your application for Bill Pay service has been received, reviewed, and approved by the credit union, you will be able to access your Bill Pay service through the Online Banking service; therefore, you will enter a password to sign on to the Online Banking service as described above (see “Initial Access”), then click on the “Bill Pay” tab located at the top of the screen.
- **Security.** The personal identification number, or access code, that you select is for your security purposes. The access code is confidential and should not be recorded or disclosed to third parties. You are responsible for the safekeeping of your access code. You agree not to disclose or otherwise make your access code available to anyone not authorized by you to sign on to your accounts. If you authorize anyone to have or use your access code, you understand that person may use the Online Banking service to review all of your account information and make account transactions. Therefore, the credit union is entitled to act on transaction instructions received using your access code, and you agree that the use of your access code will have the same effect as your signature authorizing transactions.
- **Authorization.** If you authorize anyone to use your access code in any manner that authority will be considered unlimited in amount and manner until you specifically revoke such authority by notifying the credit union and by changing your access code immediately. You are responsible for any transactions made by such persons until your access code is changed and you notify the credit union that transactions and access by that person are no longer authorized. If you fail to maintain or change the security of these access codes and the credit union suffers a loss, the credit union may terminate your electronic funds transfer and account services immediately.
- **Apple Touch ID for iPhone.** Touch ID allows you to use your fingerprint, instead of entering your username and password, to log in securely. Available only on iPhone 5s, iPhone 6, and iPhone 6 Plus devices with iOS 8. Fingerprints are stored only on your device. In addition, they are encrypted with a key that is accessible only to the device, offering an overall secure means to access sensitive financial information. No need to worry about stolen passwords. Your username and password will not be stored on your device. The credit union does not see or store your fingerprint information. By enabling Touch ID, every person with an enrolled fingerprint on your device will have access to your credit union accounts. Review the enrolled fingerprints to make sure that each person is authorized to access the personal and financial information available in the app. For information on how Apple protects your fingerprint and data, please see Apple's privacy policy and iOS security guides.

## Member Liability

You are responsible for all transfers you authorize using the Online Banking service under this agreement. If you permit other persons to use your access code, you are responsible for any transactions they authorize or conduct on any of your accounts. However, notify the credit union at once if you believe anyone has used your access code and accessed your accounts without your authority. Telephoning is the best way of keeping your possible losses down. For Online Banking transactions, if

you notify the credit union within two business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not notify the credit union within two business days after you learn of the unauthorized use of your account or access code and the credit union can prove that it could have stopped someone from accessing your account without your permission if you had notified the credit union, you could lose as much as \$500.

Also, if your paper statement shows Online Banking transfers that you did not make, notify the credit union at once. If you do not notify the credit union within sixty days after the statement was mailed to you, you may be liable the full amount of the loss if the credit union can prove that it could have stopped someone from making the unauthorized EFT transactions. If a good reason (such as a hospital stay) keeps you from notifying the credit union, it may extend the time periods.

If you believe that your access code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (253) 584-2260 or 1-800-523-3641, email [Online.Banking@Harborstone.com](mailto:Online.Banking@Harborstone.com), or write Harborstone Credit Union, Attn: Online Member Service, P.O. Box 4207, Tacoma, WA 98438-0207.

### **Business Days**

The credit union's business days are Monday through Friday. Holidays are not included.

### **Fees and Charges**

- The Online Banking service is free for members.
- The Bill Pay service is free for all members.

There are currently no charges for Online Banking and Bill Pay services. From time to time, the charges may be changed. We will notify you of any changes, as required by law.

### **Transaction Documentation**

Transfers, mobile check deposits, and withdrawals transacted through Online Banking will be recorded on your monthly/quarterly periodic statements.

### **Account Information Disclosure**

The credit union will maintain the confidentiality and privacy of your account information in accordance with its privacy policy as stated on the credit union's website at [Harborstone.com](http://Harborstone.com); however, the credit union will disclose information to third parties about your account or the transfers you make in the following limited circumstances:

- As necessary to complete transfers.
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant.
- To comply with government agency or court orders.
- If you give the credit union your express permission.

## Limitation of Liability for Online Banking Services

If the credit union does not complete a transfer to or from your account on time or in the correct amount according to its agreement with you, the credit union will be liable for your losses or damages. The credit union's sole responsibility for an error in a transfer will be to correct the error. You agree that neither the credit union nor the service providers shall be responsible for any loss, property damage, or bodily injury, whether caused by the equipment, software, credit union, internet browser providers, internet access providers, online service providers, or agents or subcontractors of any of the foregoing. Nor shall the credit union or the service providers be responsible for any direct, indirect, special, or consequential economic or other damages arising in any way out of the installation, download, use, or maintenance of the equipment, software, Online Banking service, Bill Pay service, internet browser, or access software. In this regard, although the credit union has taken measures to provide security for communications from you to the credit union via the Online Banking and Bill Pay services and may have referred to such communications as "secured," the credit union cannot and does not provide any warranty or guarantee of such security. In states that do not allow the exclusion or limitation of such damages, the credit union's liability is limited to the extent permitted by applicable law. The credit union will not be liable for the following:

- If, through no fault of the credit union, you do not have enough money in your account to make the transfer, your account is inactive, or the transfer would go over the credit limit on your line of credit, if applicable.
- If you used the wrong access code or have not properly followed any applicable computer or credit union user instructions for making transfer and Bill Pay transactions.
- If your computer fails or malfunctions or the phone lines or credit union computer system were not properly working and such problem should have been apparent when you attempted such transaction.
- If circumstances beyond the credit union's control (such as fire, flood, telecommunication outages or strikes, equipment or power failure) prevent making the transaction.
- If the funds in your account are subject to an administrative hold, legal process, or other claim.
- If you have not given the credit union complete, correct, and current instructions so that it can process a transfer.
- If, through no fault of the credit union, a Bill Pay or funds transfer transaction does not reach a particular payee due to changes in payee address, account number, or otherwise; the time you allowed for payment delivery was inaccurate; or the payee failed to process a payment correctly or in a timely manner and a fee, a penalty, or interest is assessed against you.
- If the error was caused by a system beyond the credit union's control, such as a telecommunications system, an internet service provider, a computer virus, or a problem related to software not provided by the credit union.
- If there are other exceptions as established by the credit union.

## **Termination of Online Banking and/or Bill Pay Services**

You agree that the credit union may terminate this agreement and your Online Banking service if you, or any authorized user of your Online Banking service or access code, breach this or any other agreement with the credit union; if the credit union has reason to believe that there has been an unauthorized use of your accounts or access code; if you conduct or attempt to conduct any fraudulent, illegal, or unlawful transaction; or if the credit union reasonably believes your account conduct poses an undue risk of illegality or unlawfulness. In addition, the credit union reserves the right to terminate your Online Banking and/or Bill Pay services if you fail to use the services for more than 90 consecutive calendar days, and there will be a \$6 reconnection fee for Online Banking and/or Bill Pay services that have been previously terminated.

You or any other party to your account can terminate this agreement by notifying the credit union in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this agreement will not affect the rights and responsibilities of the parties under this agreement for transactions initiated before termination.

## **Notices**

The credit union reserves the right to change the terms and conditions upon which this service is offered. The credit union will notify you at least 21 days before the effective date of any change, as required by law. This means the credit union will mail you notice or, if you have consented to electronic disclosures, will send it to the email address you have designated. Use of this service is subject to existing regulations governing the credit union account and any future changes to those regulations.

## **Statement Errors**

In case of errors or questions about your Online Banking transactions, contact the credit union by telephone, by email, or in writing as soon as you can. (Contact information is set forth in the “Member Liability” section above.) The credit union must hear from you no later than sixty (60) days after it sends the first statement on which the error appears.

- Give the credit union your name and member/account number.
- Describe 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 the credit union the dollar amount of the suspected error.

If you notify Harborstone verbally, it may require that you send your complaint or question in writing within 10 business days. The credit union will inform you of the results of its investigation within ten business days after hearing from you and will correct any error promptly. For errors related to transactions occurring within 30 days after the first deposit to the account (new accounts), the credit union will inform you of the results of its investigation within 20 business days. If the credit union needs more time, however, it may take up to 45 calendar days to investigate your complaint or question, or it may take up to 90 calendar days for new account transaction errors or errors involving transactions initiated outside the United States. If the credit union does this, it will credit your account within 10 business days for the amount you think is in error so that you will have use of the money during the time it takes the credit union to complete its investigation. If the credit union requests that you put your

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complaint or question in writing and does not receive it within 10 business days, the credit union may not credit your account.

If the credit union decides after its investigation that an error did not occur, the credit union will deliver or mail to you an explanation of its findings within three business days after the conclusion of its investigation. If you request, the credit union will provide you copies of the documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

### **Other General Terms**

- **Other Agreements.** In addition to this agreement, you agree to be bound by and will comply with all terms and conditions applicable to your relationship with the credit union, as described in your Credit Union membership and account agreement, prior receipt of which you acknowledge.
- **Severability.** In the event that any portion of this agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the agreement.

### **Enforcement**

You agree to be liable to the credit union for any liability, loss, or expense as provided in this agreement that the credit union incurs as a result of any dispute involving your accounts or services. You authorize the credit union to deduct any such liability, loss, or expense from your account without prior notice to you. This agreement shall be governed by and construed under Washington State laws as applied to contracts entered into solely between residents of, and to be performed entirely in, such state. In the event either party brings a legal action to enforce the agreement or collect any overdrawn funds on accounts accessed under this agreement, the prevailing party shall be entitled, subject to Washington State law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and post-judgment collection actions, if applicable. Should any one or more provisions of this agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision shall be modified by the proper court, if possible, but only to the extent necessary to make the provision enforceable, and such modification shall not affect any other provision of this agreement.