

## REGULATION E DISCLOSURE STATEMENT

As a consumer who uses electronic funds transfer (EFT) services, you have certain rights and responsibilities. These rights and responsibilities are defined by the Electronic Fund Transfer Act (15 U.S.C. 1693, Et seq.) and Regulation E of the Federal Reserve Board. One requirement of this Act is that all financial institutions must make certain disclosures to all EFT users.

### DISCLOSURE OF TYPES OF AVAILABLE TRANSFERS AND LIMITS ON TRANSFERS

#### Direct Deposit:

Our services allow you to ask that recurring deposits which you designate, such as Direct Deposit of Wages, Social Security Benefits, Pension Payments, Dividend Payments and similar regular payments be deposited directly into your:

- Checking Account
- Money Market Account
- Passbook or Statement Savings Account

#### Preauthorized Debit:

In addition, it may be possible to arrange with some merchants, insurance companies, banks, credit unions, and other thrift institutions, to have your recurring bills paid automatically (a debit to your account) from your:

- Checking Account
- Money Market Account
- Statement Savings Account

#### Telephone Transfer:

You may also call via telephone to have us transfer funds between accounts that you have with us pursuant to a written agreement that you have executed with us. You may transfer funds via this method between any of the following accounts:

- Checking Account
- Money Market Account
- Statement Savings Account

#### Transfers via Internet Banking:

You may use Internet Banking or Mobile Banking at PennCrestBANK.com to have us transfer funds between accounts that you have with us. You may transfer funds via this method between any of the following accounts:

- Checking Account
- Money Market Deposit Account
- Statement Savings Account

There is no limitation on the dollar amount of any of the above electronic funds transfers that you can make with us.

There is no limitation on the frequency of electronic funds transfers when they are deposits as listed above. If the electronic fund transfer is a withdrawal from your account as listed above, the frequency of transfers allowed is as follows:

- Only 6 third party electronic funds transfers per month can be made out of your Money Market Account. (The 6 third party electronic transfers per month that are allowed are reduced by each check, debit card transaction or similar order that affects the Money Market Account during the same monthly period).
- Transfers from a savings account (ask us which of the above accounts are classified as savings account(s)) to another account or to a third party via preauthorized, automatic or telephone transfers are limited to 6 per monthly period.

**DISCLOSURE OF WHAT CONSTITUTES BUSINESS DAY OF INSTITUTION:** Our business days are Monday through Friday, excluding Holidays.

**DISCLOSURE OF CHARGES APPLICABLE TO TRANSFERS:** Currently there are no charges applicable to making the electronic funds transfers we will handle for you with the exception of Telephone Transfers. Please see our current fee schedule for this change. We reserve the right to impose changes for other types of transfers at a future date.

**NOTICE REGARDING ATM FEES BY OTHERS:** If you use an automated teller machine that is not operated by PennCrest BANK<sup>SM</sup>, you may be charged a fee by the operator of the machine and/or by any network used. You also may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

**ELECTRONIC FUNDS TRANSFER INITIATED BY THIRD PARTIES:** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payments may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearinghouse (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of their policy. In all cases, the transaction will require you to provide the third party with your account number and bank information. This information can be found on your check as well as on a deposit or withdrawal

slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or by some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers.

Examples of these transfers include, but are not limited to:

**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:

- 1) Pay for Purchases.
- 2) Pay Bills.

You may provide your check to a merchant or service provider who will scan the check for the encoded bank and account information. The merchant or service provider will then use this information to convert the transaction into an electronic fund transfer. This may occur at the point of purchase, or when you provide your check by other means such as by mail or drop box.

**Electronic returned check charge.** Some merchants or service providers will initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds.

**DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES:** We will disclose information to third parties about your account or the transfers you make:

- where it is necessary for completing transfers
- to verify the existence and condition of your account for a third party, such as a credit bureau or merchant
- in accordance with your written permission
- in order to comply with court orders or government or administrative agency summonses, subpoenas, orders, examinations and escheat reports
- on receipt of certification from a federal agency or department that a request for information is in compliance with the Right to Financial Privacy Act of 1978.

#### DISCLOSURE OF RIGHT TO RECEIVE DOCUMENTATION OF TRANSFERS:

If you have arranged to have direct deposits made to your account from the same persons or organization, or any transfers made from your account, at least once every 60 days, you may call us at the phone number listed at the end of this disclosure to verify that the transfer was made.

**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.

**Statement Accounts.** You will receive a monthly statement (or at least quarterly if there were no transfers in a particular month) that shows transactions for any account that has electronic fund transfers to or from the account.

#### DISCLOSURE OF RIGHT TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS, PROCEDURE FOR DOING SO, AND FINANCIAL INSTITUTION'S LIABILITY FOR FAILURE TO STOP PAYMENT:

**(a) Right to stop payment and procedure 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 the phone number or write us at the address listed at the end of this disclosure 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 may also require you to put your request in writing and get it to us within 14 days after you call. We will charge you for each stop payment order you give. See our fee schedule for current stop payment fee.

**(b) 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.)

**(c) 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.

**CONSUMER LIABILITY FOR UNAUTHORIZED TRANSFERS AND ADVISABILITY OF PROMPT REPORTING:** Tell us at **once** if you believe your code/card 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 is the best way of keeping your possible losses down. You could lose all the money in your account (and your maximum overdraft line of credit, if you have one). If you believe that your code has 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 used your code/card without your permission. If you do not tell us within two business days after you learn of the loss or theft of your code, and we can prove we could have stopped someone from using your code without your permission if you had told us, you could lose as much as \$500.

If your statement or passbook shows transfers that you did not make, including those made by card, code or other means, tell us **at once**. If you do **not** tell us within 60 days after the statement was mailed to you, or the transfer was recorded in your passbook, you may not get back any money 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.

**TELEPHONE NUMBER AND ADDRESS TO BE NOTIFIED IN EVENT OF UNAUTHORIZED TRANSFER:** If you believe that someone has transferred or may transfer money from your account using information from your check without your permission, or if you believe your card or code has been lost or stolen, call us at the phone number or write us at the address listed at the end of this disclosure. You should also call the number or write to the address listed at the end of this disclosure if you believe a transfer has been made using the information from your check without your permission.

**DISCLOSURE OF INSTITUTION'S 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 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] [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 our agreement with you.

**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS:** Call us at the phone number or write us at the address listed at the end of this disclosure as soon as you can, if you think your statement, receipt or passbook is wrong or if you need more information about a transfer listed on the statement, receipt or passbook. If the problem or error is with a Statement Account, we must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or the error appeared. If the problem or error is with a Passbook Account, we must hear from you no later than 60 days after we record the transaction in your passbook.

- 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 after we hear from you and will correct any error promptly. If we need more time, however, for most errors we may take up to 45 days to investigate your complaint or question. If you believe that the error was the result of a foreign initiated transfer or point of sale transaction, or if you have not been an accountholder with us for more than 30 days, we may take up to 90 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, unless you have not been an accountholder for at least 30 days, in which case we will credit your account within 20 business days for the amount that 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.

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.

PennCrest BANK  
1201 12th Street  
Altoona, PA 16601  
888-716-7587  
PennCrestBANK.com

## ELECTRONIC FUNDS TRANSFERS

## REGULATION E DISCLOSURE



1201 12th Street  
Altoona, PA 16601  
888-716-7587

PennCrestBANK.com