

Frontier State Bank

ELECTRONIC FUNDS TRANSFER

YOUR DISCLOSURE STATEMENT AND AGREEMENT FOR TRANSFUND CARD, DEBIT CARD AND OTHER ELECTRONIC FUND TRANSFER SERVICES

This is a Disclosure Statement and Agreement that provides the terms and conditions related to the use of TransFund Card, VISA Debit Card and other electronic fund transfers available through Frontier State Bank. You agree to the terms and conditions contained within this statement by application for a TransFund Card, VISA Debit Card, or by authorizing any other electronic fund transfer to or from your account. Please read this disclosure carefully because it tells you your rights and responsibilities for these transactions. Please keep this notice for future reference.

ELECTRONIC FUND TYPES AND TRANSFER LIMITATIONS

TRANSFUND CARD OR DEBIT CARD BANKING TRANSACTIONS

Before you can use your TransFund Card or VISA Debit Card, it must be validated. Validation will occur upon use of the (PIN) Personal Identification Number that will be sent to you. TransFund transactions are available at any TransFund or Cirrus locations. The TransFund card may be used to:

- a) Withdraw cash from your checking account, savings account, Money Market account, or NOW account.
- b) Transfer funds between your checking and savings accounts
- c) Inquire about the balance of your checking account, savings account, Money Market account or NOW account.

VISA Debit card transactions are available at any VISA location. The VISA Debit card may be used to:

- a) Withdraw cash from you checking account, savings account, Money Market account, or NOW account.
- b) Pay for purchases at (POS) Point-of-Sale terminals and locations that have agreed to accept Debit cards.
- c) Inquire about the balance of your checking account, savings account, Money Market account, or NOW account.
- d) Transfer funds between your checking and savings accounts.

Certain limitations are associated with the transaction originated through the use of the TransFund card or VISA Debit card. These include, but may not be limited to:

- a) All persons holding TransFund cards or VISA Debit cards with access to the same account may make automatic teller machine withdrawals and/or POS transactions up to the available balance, not to exceed \$250.00 in any 24 hour period. If more than one account may be accessed, the total amount cannot exceed \$250.00 in any 24 hour period.
- b) As allowed with any non-TransFund Card or VISA Debit Card transaction, we may limit the withdrawal amount to current available balances, with all deposits being given provisional credit, subject to collection through normal banking channels.
- c) Some automatic teller machines and POS terminals may impose limitations on the amount withdrawn at any one time.

NOTICE REGARDING ATM FEES BY OTHERS: If you use an automated teller machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated transfer network. You may be charged a fee for a balance inquiry even if you do not

complete a transfer. Additional fees may be assessed. This fee should be disclosed to you on or near the machine before conducting any transaction.

PREAUTHORIZED ELECTRONIC FUND TRANSFERS

Preauthorized transfers may be used to:

- a) Make direct deposits to your checking account, savings account, Money Market account, or NOW account automatically for items such as Social Security, pension and annuity distributions, compensation from your employer, and other recurring payments.
- b) Automatically transfer funds to or from your checking account, savings account, Money Market account, or NOW account, subject to availability of authorized services, any provisions of written agreements, and the availability of funds to cover each transaction.
- c) **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 pay for purchases or pay bills.
- d) **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check is returned for insufficient funds.

Certain limitations apply to such transfers, for example:

- a) Any preauthorized debit or credit is subject to a written agreement between the customer and the party, or organization issuing or receiving payment.
- b) If you have a Money Market or savings account, Federal Regulation D limits all preauthorized transfers, including those done automatically, to a maximum of six per month. No more than three of the six transfers may be made by check, draft or debit card to a third party.

BUSINESS DAYS

The bank's business days shall be considered Monday through Friday, excluding federal holidays.

RIGHT TO RECEIVE DOCUMENTATION

At the time you make any TransFund card or VISA Debit card transaction, you may receive a receipt containing the dollar amount, the date, type of transaction, the account number affected, terminal location, and the automated teller machine or terminal code number.

A monthly statement will be sent to you for each checking account, Money Market account, and NOW account. While savings account statements are issued at least quarterly, savings accounts with an electronic funds transfer will be issued monthly.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

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

- a) it is needed for completing transfers
- b) necessary to verify the existence and condition of your account for third parties such as credit bureaus or merchants
- c) required to comply with a government agency or court order
- d) you give us written permission

CONSUMERS LIABILITY FOR UNAUTHORIZED TRANSFER

Tell us AT ONCE if you believe your TransFund Card, Visa Debit Card, TransFund PIN or Visa Debit PIN 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 (plus your maximum Overdraft Line of Credit amount). If you tell us within 2 business days after you learn of the loss or theft of your TransFund Card, Visa Debit Card, TransFund PIN or Visa

Debit PIN, you can lose no more than \$50 if someone used your TransFund Card, Visa Debit Card, TransFund PIN or Visa Debit PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your TransFund Card, Visa Debit Card, TransFund PIN or Visa Debit PIN, and we can prove we could have stopped someone from using your TransFund Card, Visa Debit Card, TransFund PIN, or Visa Debit PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, PIN or other means tell us at once. 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 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. If you believe your TransFund Card, Visa Debit Card, TransFund PIN, or Visa Debit PIN has been lost or stolen, call: (405) 672-7831 or write us at:

Frontier State Bank
Attn: Customer Service
P.O. Box 95329

Oklahoma City, OK 73143-5329

CONSUMERS RIGHT TO STOP PAYMENT AND RECEIVE NOTICE OF VARYING AMOUNTS

If you have given us authorization to make payments out of your account, you can stop any of these payments. Call us at (405) 672-7831 or write to us at P.O. Box 95329, Oklahoma City, OK 73143-5329 so that your request is received at least 3 days before the payment date. If your request is received by telephone, we require you to place your request in writing in the form of a signed affidavit prior to returning a payment. Each written stop payment order is effective for 6 months and can only be renewed if another stop payment order is placed upon expiration. Any oral stop payment order will cease to be binding 14 days after it is made. A stop payment charge will be assessed per the Depository Agreement and the Bank Service Brochure.

If you arrange to have regular payments made from your account and any of these payments may vary in amount, the person receiving payment should notify you 10 days before each payment would be made and how much the payment would be. You may select to be notified 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.

All TransFund Card and Visa Debit Card transactions are effectuated immediately. Any withdrawal transaction through the use of your TransFund Card or Visa Debit Card is not subject to stop payment requests.

If you request 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.

Financial Institution's liability 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 certain exceptions. We will not be liable, for instance:

- a) If, through no failure of ours, you do not have enough money in your account to make the transfer.
- b) If the transfer would go over the credit limit on your Overdraft Line of Credit.
- c) If the automated teller machine where you are making the transfer does not have enough cash.
- d) If the [terminal] [system] was not working properly and you knew about the breakdown when you started the transfer.
- e) If circumstances beyond our control, like fire or flood, prevent the transfer despite reasonable precautions that we would have taken.
- f) There may be other exceptions stated in our agreement with you.

Should our failure to complete a transfer to or from our account on time or in the correct amount is not intentional and results from an actual error, despite our efforts to avoid such an error, we will not be liable in any event for any amount in excess of your actual proved damages.

ELECTRONIC CHECK CONVERSIONS

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

ERROR RESOLUTION PROCEDURES

In case of error or questions about your electronic transfers, call or write us at the telephone number or address listed in this brochure, 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. We must hear from you no later than 60 days after we sent 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 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.
- 3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or questions 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, 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. **In some instances where your Visa debit card was used, this may be credited to your account within 5 business days.** 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. For errors involving new accounts, point-of-sale, or foreign-initiated transactions, 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.

If during the research of your alleged electronic error, the bank determines that your negligence may have contributed to the error, the bank will not penalize you in any way or manner regarding the claim; however, the bank may refuse to reissue or return to you the access device used in the transaction once the claim has been settled.

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.

CANCELLATION RIGHTS

It is your privilege to cancel the ATM/VISA Debit Card or preauthorized transfers at your discretion. To discontinue your ATM/VISA Debit Card service, please destroy the card by cutting it in half and notifying the bank's Customer Service Department at the mentioned address and/or telephone number. We retain the right to cancel your ATM/VISA Debit Card at any time.

Preauthorized electronic fund transfers should be canceled by written notification of the party with whom the transfer agreement exists and sending us (the bank) written notification to cancel.

Provisional Credit:

Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry.

Notice of Receipt of Entry:

Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide to you.

Choice of Law:

We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses (“ACH”) and which are not subject to the Electronic Funds Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.