

PenFed Credit Union Electronic Fund Transfer Disclosure

This is an official disclosure required by the Electronic Fund Transfer (EFT) Act to be given to members who may have an EFT transaction affecting their accounts. The disclosure covers the basic rights, liabilities and responsibilities of consumers who use EFT services and of financial institutions offering these services. This disclosure covers all the EFT services PenFed offers. Therefore, some provisions may not currently be applicable to you. Please read and retain this disclosure; it provides the procedures to be followed if you have an error or problem regarding your EFT services.

Your Liability - (Under the EFT Act for unauthorized access to your Share account) - Contact PenFed immediately if you believe your Automated Teller Machine (ATM) card, debit card or personal identification number (PIN) has been lost or stolen. You could lose all of the money in your account(s) including your maximum overdraft line of credit. If you notify PenFed within 2 business days of your knowledge of the loss or theft, you can lose no more than \$50. IF YOU DO NOT NOTIFY PenFed within 2 business days after you learn of the loss of your card or PIN, and we can prove we could have prevented the unauthorized transactions if you had told us, you could lose as much as \$500. If your statement shows transfers you did not make, tell PenFed immediately. If you do not tell PenFed within 60 days after the statement was mailed to you, you will not get back money you lost after the 60 days if we can prove we could have stopped the unauthorized transactions if you had told us within the allotted time frame. For certain card transactions without the use of your PIN, you may have no liability for unauthorized transfers. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Address and Telephone Number for Notifying PenFed - For a lost or stolen card or PIN, or if you believe someone has transferred or may transfer money from your account without your permission, call PenFed immediately, at 1-800-247-5626 or 541-225-6700 if you are overseas. For a lost or stolen debit card ONLY call 1-800-556-5678 or write: PenFed Credit Union, Attn.: EFT Department, Box 456, Alexandria, VA 22313.

Business Days - Our business days are Monday through Friday, excluding federal holidays.

Types of Transfers Available - You may transfer funds from another financial institution to pay your loan at PenFed.

Fees for Pre-authorized Transfers - Your account will be charged \$30 for each pre-authorized withdrawal (ACH) not paid because of non-sufficient funds or \$10 for each pre-authorized withdrawal not paid because of uncollected funds.

Periodic Statements - Your mortgage statement will be provided on a monthly basis. For consolidated statements, if your account can be accessed by an ATM or debit card, you have a Money Market Savings Account (MMSA), checking account, or you have been assigned a PIN, you will receive a monthly statement; otherwise, you will receive a quarterly statement.

Procedure for Stopping Payment of Pre-authorized Transfer - If you notified PenFed in advance to make regular payments out of your Pen- Fed Regular Share account, checking account or MMSA, you can stop these payments. To stop these payments, call or write PenFed in time for us to receive your request at least 3 business days before the payment is scheduled. If you call, PenFed may also require you to put your request in writing and get it to us within 14 days after your call. PenFed charges \$15 for a stop payment. A stop payment is valid for 6 months only.

Liability for Failure to Stop Payment of Pre-authorized Transfer - If you request to stop a payment at least 3 business days before the transfer is scheduled, and PenFed does not honor your request, PenFed will be liable for your losses or damages.

Liability for Failure to Make Transfers - If PenFed does not complete a transfer to or from your account on time or for the correct amount according to our agreement with you, PenFed will be liable for your losses or damages. However, there are some exceptions:

1. If, through no fault of PenFed, you do not have enough money in your account to make the transfer.
2. If the transfer would go over the credit limit on your Thrifty Credit Service (TCS) account.
3. If circumstances beyond PenFed's control, such as fire or flood, prevent the transfer despite reasonable precautions PenFed takes.
4. If, for security reasons, PenFed temporarily limited the amount of cash available at an ATM. There may be other exceptions stated in our agreement with you.

Disclosure of Information to Third Parties - PenFed will disclose information to third parties about your account or the transfers you make:

1. When it is necessary for completing transfers;
2. To verify the existence and condition of your account for a third party, such as credit bureau or merchant;
3. To comply with government agency or court orders; or
4. If you give us your written permission.

Error Resolution Procedures - If there is an error or a question about your electronic transfer(s), please call or write PenFed using the phone numbers or address listed in the section, "**Address and Telephone Number for Notifying Pentagon Federal**," above. If you think your statement or receipt has an error, or if you need more information about a transfer listed on the statement or receipt, contact PenFed. PenFed must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Give PenFed your name and account number.
2. Describe the error or transfer you are unsure about and explain why you believe it is an error or why you need more information.
3. Tell PenFed the dollar amount of the suspected error. If you contact PenFed by telephone, we require you send us your complaint or question in writing within 10 business days. PenFed will notify you of the results of our investigation within 10 business days after we hear from you and will correct that error promptly. If PenFed needs more time, we may take up to 45 days (90 days for point of sale (POS) transactions and transactions which occurred outside the United States and its territories) to investigate your complaint or question. If PenFed decides to do this, we will re-credit your account within 10 business days for the amount you think is in error. You will have the use of the money during the time it takes PenFed to complete the investigation. If PenFed does not receive your complaint or question in writing within 10 business days, we may not re-credit your account. If PenFed decides there was no error, we will send you a written explanation within 3 business days after we finish our investigation. You may ask for copies of the documents PenFed used in the investigation.