

Regulation E – Electronic Fund Transfers Policy

It is the policy of First United Bank & Trust (the “Bank”) to comply with the Electronic Fund Transfer Act, which is implemented by Regulation E. The primary objective of this regulation is to protect the basic rights, liabilities, and responsibilities of consumers who use electronic fund transfers (EFTs) and remittance transfer services.

These services include:

- transfers through automated teller machines (ATMs);
- point-of-sale (POS) terminals;
- automated clearinghouse (ACH) systems;
- telephone bill-payment plans in which periodic or recurring transfers are contemplated;
- remote banking programs; and
- remittance transfers

Disclosures

In compliance with the Regulation, the Bank shall provide all necessary disclosures as appropriate. This includes the initial disclosure provided at the time a consumer contracts for an electronic fund transfer service or before the first electronic transfer is made involving the consumer's account. Topics outlined in the disclosures include, but may not be limited to, the following information.

- **Liability of consumer.** A summary of the consumer's liability for unauthorized electronic fund transfers;
- **Telephone number and address.** The telephone number and address of the person or office to be notified when the consumer believes that an unauthorized electronic fund transfer has been or may be made;
- **Business days.** The Bank's business days and hours of operation;
- Types of transfers; limitations. The type of electronic fund transfers that the consumer may make and any limitations on the frequency and dollar amount of transfers;
- **Fees.** Any fees imposed by the Institution for electronic fund transfers or for the right to make transfers;
- **Documentation.** A summary of the consumer's right to receipts and periodic statements and notices regarding preauthorized transfers;
- **Stop payment.** A summary of the consumer's right to stop payment of a preauthorized electronic fund transfer and the procedure for placing a stop-payment order;
- **Liability of Institution.** A summary of the financial institutions liability to the consumer for failure to make or to stop certain transfers;
- **Confidentiality.** The circumstances under which, in the ordinary course of business, the Institution may provide information concerning the consumer's account to third parties;
- **Error resolution.** A notice that details the procedure for error resolution (The Institution shall follow Model Form A-3 of Regulation E to comply with this provision.)
- **ATM fees.** A notice that a fee may be imposed by an automated teller machine operator when the consumer initiates an electronic fund transfer or makes a balance inquiry, and by any network used to complete the transaction.

Required disclosures must be clear and readily understandable, in writing, and in a form, the consumer may keep. The required disclosures may be provided to the consumer in electronic form, if the consumer affirmatively consents after receiving a notice that complies with the E-Sign Act

Regulation E disclosures are outlined in the Bank's ***Terms and Conditions of your Account*** and the ***Consumer Products and Services Schedule*** as provided to all consumer accounts upon account opening and periodically as applicable. This disclosure includes the Bank's procedures regarding consumer liability and error resolution.

Receipts and Periodic Statements

A receipt will be available for any transaction in excess of \$15.00 made at an electronic terminal, to a consumer at the time the consumer initiates the electronic fund transfer. The receipt will comply with all the necessary disclosures as required by the regulation. The Bank will provide the consumer with a periodic statement for each monthly cycle in which an electronic fund transfer has occurred; and shall send a periodic statement at least quarterly if no transfer has occurred.

Disclosures at Automated Teller Machines (ATMs)

The Bank imposes a fee to non-customers for providing an electronic fund transfer at our ATMs. Prior to charging this fee, the Bank will provide a notice that a fee will be imposed for providing electronic fund transfer services or a balance inquiry; and disclose the amount of the fee. The fee information will be on the screen of the ATM and/or on paper prior to a fee being charged. A fee will only be charged if the consumer continues with the transaction after having received this notice.

Overdraft Services - Electronic Transaction Overdraft Services Opt In

The Bank provides consumers a choice to opt into our overdraft protection service and be charged a fee for overdrafts for ATM and one-time debit card transactions. When a consumer opts in to this service, the Bank will provide the required disclosure of the fees and terms associated with the Bank's overdraft service prior to charging a fee. The consumer has an ongoing right to revoke consent at any time. The Bank may not require consumers to opt in for ATM and one-time debit transactions as a condition to the payment of overdrafts for checks and other transactions. Additional information about our Overdraft Services is available in the Bank's ***Overdraft Policy***.

Remittance Transfers

It is the policy of the Bank to comply with all applicable requirements of the remittance transfer rule as set forth under Regulation E.

A "remittance transfer" means the electronic transfer of funds requested by a sender, which is defined as a consumer who primarily for personal, family, or household purposes requests a remittance transfer, to a designated recipient that is sent by a remittance transfer provider. The term applies regardless of whether the sender holds an account with the remittance transfer provider, and regardless of whether the transaction is also an electronic fund transfer.

Currently the Bank is exempt from the remittance transfer rule under a "safe harbor" provision which indicates in the normal course of business the Bank provides 100 or fewer remittance transfers in the previous calendar year; and provides 100 or fewer remittance transfers in the current calendar year. The Bank will monitor the number of remittance transfers we complete annually to maintain this safe harbor.

Record Retention

The Bank must maintain evidence of compliance with the EFTA and Regulation E for at least two years from the date disclosures are required to be made or action is required to be taken; the period may be extended per the Bank's supervising agency. Records may be stored on microfiche, microfilm, magnetic tape, or in any other manner capable of accurately retaining and reproducing the information.

Training

The Bank's Compliance Officer shall coordinate with the Director of Learning and Development to ensure appropriate training to new and existing associates.

Enforcement and Oversight

The Board of Directors has the authority to approve and enforce this policy. Changes to this policy require approval by the Board of Directors or a designated subcommittee of the Board; however, Senior Management is responsible for ensuring that the policy is implemented and administered.

Changes to any corresponding operating procedures may be approved by the appropriate manager over the impacted area, in conjunction with the Risk Manager or Compliance Officer.

The results from any review or audit of this policy will be provided to the Board of Directors, or a subcommittee thereof.