

# Sound Credit Union Online Bill Payment Service Agreement & Disclosures

## Important information about this agreement:

This electronic required consumer disclosure serves the following THREE purposes:

- Obtain your affirmative consent to receive the required consumer disclosures in electronic form and provide you with a clear and conspicuous statement regarding your rights to receive electronic consumer disclosures as outlined in the Electronic Records and Signatures in Commerce (E-Sign) Act, and;
- Present you with the required consumer disclosures for the Online Bill Payment Service.
- Obtain your consent to receive electronic communication via email.

## Consent to Receive Electronic Disclosure

By clicking the "I Agree" button below you are affirmatively consenting to receive the required disclosure in electronic form.

## Electronic Communications

Online Bill Payment is an electronic internet based service. Therefore, you understand that this Agreement will be entered into electronically.

- You have the right to have this disclosure provided or made available on paper or in non-electronic form;
- The consent to receive electronic consumer disclosures applies to all future required consumer disclosures in connection with the Online Bill Payment Service;
- You can update your electronic contact information by using the User Maintenance function within the service or calling the Member Service number noted in this document;
- After clicking the "I Agree" button, you may request a paper copy of this consumer disclosure for a fee of \$25 by calling the Member Service number noted in this document;
- You understand that to access and retain this disclosure and to use the Online Bill Payment Service, you must have the following: a PC with an Internet browser that has "cookies" enabled and supports 128 bit encryption, an Internet connection for the PC, an e-mail address, and either a printer or sufficient electronic space to store this disclosure.
- You understand that Sound Credit Union reserves the right to contact you by e-mail.

## Introduction

This Agreement is the contract, which covers your and our rights and responsibilities concerning Online Bill Payment Services offered to you by Sound Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who request and use the Bill Payment Service. The words "we," "us," and "our" mean the Credit Union. The word "account" means a checking account you have with the Credit Union that you have designated as your bill payment account. The Bill Payment Service allows you to access your account to pay most bills. By submitting an online request for the Bill Payment Service, each of you jointly and severally agree to the terms and conditions in this Agreement, and any amendments. By reference, this Agreement is made part of the Sound Credit Union Membership and Account Agreement. Acceptance of this Agreement indicates acceptance of the Credit Union Membership and Account Agreement.

## Section I – Service Description, Features, Fees, and Limitations

**1. Bill Payment Service.** The bill payment service allows you to pay bills out of a designated account on a one-time or periodic basis to payees that you designate subject to the limitations described below.

**Bill Payment Limits:** You may not schedule a single bill payment for greater than \$10,000.

**“SEND ON” Date vs. “DELIVER BY” Date:** When scheduling a bill payment, note the difference between the “SEND ON” date and the “DELIVER BY” date. The “SEND ON” date is the date we will attempt to deduct the payment amount from your designated account. If the attempted deduction fails because you did not have enough funds in your primary account, we will send you an email indicating this situation. If the second attempted deduction is not successful, the transaction will be cancelled and you will be responsible for rescheduling. If the second attempted deduction is successful, the payment will be processed and remitted to the payee, however the “DELIVER BY” date will be one business day later. If you receive an email because the first attempted deduction was not successful, you should access Online BillPayer to determine the date of the second deduction attempt.

If you schedule a payment with the “SEND ON” date as the current date, you must have adequate funds in your account at the time the payment is scheduled. The funds will be deducted shortly after you log out of the session. If you schedule a payment with the “SEND ON” date in the future, there must be adequate funds in your account when we attempt the deduction. This can occur anytime between 12:01 am and 4:00 pm EST.

The “DELIVER BY” date is the date that you can expect the payee to receive your payment. The “DELIVER BY” date for your payment should be no later than the due date the payee has indicated for the payment.

**Payment Guarantee:** If a properly scheduled payment is not received and posted on time by the payee, we will attempt to remove any late fees or assessed finance charges. (Finance charges are calculated based on your payment amount rather than your entire balance.) If the payee is unwilling or unable to remove them, we will pay the fees and finance charges directly to the payee. In addition, we will attempt to add a note of explanation to your account to ensure that the situation does not negatively impact your credit rating.

The Payment Guarantee applies to late fees and/or finance charges associated with the late posting of a payment, provided that the following conditions are met:

- a. The payment was scheduled to be delivered on or before the due date of your bill, excluding any grace periods.
- b. The payment was not made to a prohibited payee (see below) or the following type of payee:
  - Payments to payees located in the Armed Forces Postal Codes, such as AE and AP
  - Payments to settle securities transactions
  - Payments to payoff special or delayed financing for purchases
  - Payments to credit counseling agencies who pay creditors on your behalf
- c. The information supplied by you is correct (payee name and address, your name and account number as it appears on the payee's records)
- d. You had sufficient funds in your account during our first deduction attempt on the “SEND ON” date

We will only be responsible for the direct fees or finance charges associated with the late payment. We will not be responsible for any other consequential damages that might arise from the late payment.

**Prohibited Payees:** We will not process payments on your behalf to payees meeting any of the following criteria:

- Designated by the Office of Foreign Asset Control as being a prohibited payee
- Having an address outside of the United States (except for APO)
- Court-ordered payments such as alimony, child support, speeding tickets, etc.
- Tax entities

- Collection agencies

If a payment to a prohibited payee is inadvertently processed, the payment guarantee outlined above does not apply to that payment, and we reserve the right to not process a payment to that payee in the future.

**Cancelling Bill Payments:** We may cancel a bill payment if we have reasonable belief that the payment is fraudulent. If we cancel a payment, we will attempt to contact you to inform you of this action.

You may cancel an outstanding bill payment at anytime through Online BillPayer. Bill payments are considered outstanding until the "SEND ON" date.

You can cancel a "Recurring" transaction by verbal or written notice no later than three (3) business days before the "SEND ON" date of the transaction by contacting Member Service at the address or phone number listed in this agreement. If you call, we may also require you to put your request in writing and provide it to us within fourteen (14) days. The notice must detail whether the cancellation applies to only one of the recurring transactions, or all transactions in the recurring stream.

**Internet Email Notifications:** It is important to keep a current Internet email address on file with us, as we use this to communicate important security events about your account to you such as:

- Password changes
- User ID changes
- Internet email address changes (sent to old and new addresses)
- Adding new payees

**2. Authorized Payments.** When you transmit a bill payment instruction to us, you authorize us to transfer funds to make the bill payment transaction from your checking account. We will process the bill payment transfer requests only to those payees the Credit Union has designated in its Service Description 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 we know the required transaction information is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to make the bill payment request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous.

**3. Processing Payments.** The amount of your requested bill payments will be deducted from your account on the "SEND ON" date and will be posted within two (2) business days of the date that 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 "SEND ON" date.

Bill payments are delivered to the payee either electronically, which may take up to five (5) business days from the "SEND ON" date, or by check to those payees not set up to accept electronic payments, which may take up to ten (10) business days from the "SEND ON" 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 ten (10) 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.

**4. Business Days.** Our business days are Monday through Saturday. Holidays are not included.

**5. Fees and Charges.** The Credit Union reserves the right to charge and/or change fees for this service in the future. You will receive at least twenty-one (21) days notice before a fee is charged and/or changed for this service. For a listing of other applicable fees, see a current Rate and Fee Schedule.

**6. Right to Receive Documentation of Transfers.** Transfers and withdrawals transacted through the Bill Payment Service will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least semi-annually.

## **Section II – Warranties and Responsibilities**

**1. Security.** The personal identification number or access code (“access code”) for the Bill Payment Service is for your security purposes and should not be disclosed to third parties or recorded. You are responsible for keeping your user id, password, and account data confidential. You agree not to disclose or otherwise make your access code available to anyone not authorized to sign on your accounts. We are entitled to act on transaction instructions received through your user id and password. Our personnel are entitled to act on instructions after they have properly authenticated the caller according to our internal procedures.

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 changing your access code immediately. You are responsible for any transactions made by such persons until you notify us that transactions and access by that person are no longer authorized and your access code is changed. If you fail to maintain or change the security of these access codes and the Credit Union suffers a loss, we may terminate your electronic funds transfer and account services immediately.

**2. Joint Accounts.** If any of the accounts that you register under the Bill Payment Service is a joint account, you confirm that your joint account holder has consented for you to use that account with the Bill Payment Service. We will end your use of the Bill Payment Service if any joint account holder notifies us that (i) they never consented to your use of the Service, (ii) the joint account can no longer be operated on your instructions alone, or (iii) they are withdrawing consent for you to operate the joint account.

**3. Member Liability.** You are responsible for all transactions you authorize using the Bill Payment 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. Tell us at once if you believe anyone has used your access code and accessed your accounts without your authority. Calling us is the best way of keeping your possible losses down. If you tell us of the unauthorized use of your account within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission. If you do not tell us within two (2) business days after you learn of the unauthorized use of your account, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows bill payment transactions that you did not make tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you or was available to you online if you have requested eStatements, you may be liable for the full amount of the loss if we can prove that we could have stopped someone from making the unauthorized transactions. If a good reason (such as a hospital stay) kept you from telling us, we 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 253.383.2016 during business hours, contact us electronically by sending an email to [info@soundcu.com](mailto:info@soundcu.com), or write:

Sound Credit Union  
PO Box 1595  
Tacoma, WA 98401

**4. General Warranties.** You warrant and represent that the information you are providing us with is true, correct and complete. You agree not to impersonate any person or use a name that you are not authorized to use. You agree to promptly update your registration records if your email address or other information changes.

You warrant that you will not use the Bill Payment Service for any purpose that is unlawful or is not permitted, expressly or implicitly, by the terms of this Agreement or by any applicable law or regulation. You further warrant and represent that you will not use the Bill Payment Service in any manner that could damage, disable, overburden, or impair the Service or interfere with any other party's use and enjoyment of the Service.

### **Section III – Sound Credit Union's Responsibilities and Warranties**

**1. Credit Union Liability for Failure to Make Transfers.** Our sole responsibility for an error in a transfer will be to correct the error and in no case will we be liable for any indirect, special, incidental or consequential damages. In states which do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable:

- a. If, through no fault of ours, you do not have enough money in your account to make the transfer, your account is closed, or the transfer would go over the credit limit on your line of credit.
- b. If you used the wrong access code or used an access code in an incorrect manner, or you have not properly followed any applicable computer or Credit Union user instructions for making bill payment transactions.
- c. If your computer fails or malfunctions or the Bill Payment Service was not properly working and such problem should have been apparent when you attempted such transaction.
- d. If circumstances beyond our control (such as fire, flood, telecommunication outages, postal strikes, equipment or power failure) prevent making the transaction.
- e. If the funds in your account are subject to an administrative hold, legal process or other claim.
- f. If you have not given the Credit Union complete, correct and current instructions so the Credit Union can process a transfer or bill payment.
- g. If, through no fault of ours, a bill payment or funds transfer transaction does not reach a particular payee due to changes in the payee address, account number or otherwise; the time you allow for payment delivery was insufficient; or the payee failed to process a payment correctly, or in a timely manner, and a fee, penalty, or interest is assessed against you.
- h. If the error was caused by a system beyond the Credit Union's control such as a telecommunications system, an Internet Service Provider, any computer virus or problems related to software not provided by the Credit Union.
- i. If there are other exceptions as established by the Credit Union from time to time.

**2. Termination of Bill Payment Services.** We may terminate your participation in Online BillPayer for any reason, at anytime. We will attempt to notify you in advance, but we are not obliged to do so. You agree that we may terminate this Agreement and your Bill Payment Service if you, or any authorized user of your access code, breach this or any other agreement with us; or if we have reason to believe that there has been an unauthorized use of your account or access code.

You or any account owner can terminate this Agreement for electronic funds transfer services by notifying us 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.

**3. Notices.** We reserve the right to change the terms and conditions upon which this service is offered. We will notify you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

**4. Privacy and Security.** You can see a full description of our privacy and security policies by clicking on the “Privacy Policy” and “Security Policy” links on the help page for the Bill Payment Service. As is more fully described in the “Security Policy” link, we have multiple levels of security that have been designed especially for us and all of your personal and financial information will be placed on a secure portion of our website. We do not use any persistent “cookies” on the browser to store any personal information.

As discussed in more detail in the “Privacy Policy” link, we will maintain the confidentiality and privacy of your account information in accordance with our Privacy Policy. However, we will disclose information to third parties about your account or the transfers you make in the following limited circumstances:

- a. As necessary to complete transfers;
- b. 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;
- c. To comply with government agency or court orders;
- d. If you give us your written permission.

**5. Limits of Sound Credit Union’s Responsibilities.** Except as expressly set forth on our website or in this Agreement, we disclaim all warranties of any kind, express or implied, including non-infringement of third party intellectual property rights.

We will not be liable for any indirect, incidental, special, consequential or punitive damages of any kind resulting from the use of or the inability to use the Bill Payment Service, including damages for loss of profits, use, data or other intangibles, even if we had been advised of the possibility of such damages.

#### **Section IV – Errors, Corrections, and Claims**

**1. Billing Errors.** In case of errors or questions about your bill payment transactions, telephone us at the phone number or write us at the address set forth in Section II as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- a. Tell us your name and account number.
- b. 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.
- c. 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 ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety (90) calendar days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States). If we decide to do this, we will recredit your account within ten (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. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account.

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

**2. 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 the laws of the state of Washington 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 the Agreement, the prevailing party shall be entitled, subject to Washington law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

Should any one or more provisions of the Agreement be determined illegal or unenforceable in any relevant jurisdiction, then such provision 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 the Agreement.

The information in the Agreement and Disclosures is current as of July 2010.