

Bill Payment Service Terms and Conditions

Note: All references to "the Service" reflect the Bill Payment Service offered by Michigan Schools and Government Credit Union

- I. **Bill Payment Service.** As used in these Terms and Conditions (the "Agreement"), the term "Payee" means the person or entity to whom you wish a bill payment to be directed; "Payment Instruction" means the information provided by you to the Service for a bill payment to be made to the Payee (such as, but not limited to, Payee name, Payee account number, and payment date); "Payment Account" means your checking account from which all bill payments will be made; "Business Day" means Monday through Friday, excluding Federal Reserve holidays; "Scheduled Payment Date" means the Business Day of your choice upon which your bill payment will begin processing; and, "Cutoff Time" means 2:00 PM Eastern Time on any Business Day and is the time by which you must transmit Payment Instructions to have them considered entered on that particular Business Day.

By providing the Service with the names and account information of those Payees to whom you wish to direct payment, you authorize the Service to follow the Payment Instructions that it receives through the payment system. When the Service receives a Payment Instruction, you authorize the Service to debit your Payment Account and remit funds to the Payee on your behalf.

While it is anticipated that most transactions will be processed and completed on the next Business Day after your Scheduled Payment Date, and arrive approximately six (6) Business Days after your selected Scheduled Payment Date, it is understood that due to circumstances beyond the control of the Service, particularly delays in handling and posting payments by slow responding Payees or financial institutions, some transactions may take a day or even a few days longer to be credited by your Payee to your Payee account. For this reason, it is necessary that all Scheduled Payment Dates selected by you be no less than ten (10) Business Days before the actual due date, not the late date and/or a date in the grace period. (For example, the payment should be entered no later than Monday before 2:00 PM Eastern Time for a payment to be processed on Tuesday, with an expected arrival date of Friday of the next week.) Payment Instructions entered after the Cutoff Time or on non-Business Days will be considered entered in the Service on the next Business Day. If you properly follow the procedures described herein, and the Service fails to send a payment according to the Payment Instructions received, the Service will bear responsibility for late charges (\$50.00 maximum). In any other event, including, but not limited to, choosing a Scheduled Payment Date less than ten (10) Business Days before the actual due date, the risk of incurring and the responsibility for paying any and all late charges or penalties shall be borne by you.

A bill payment is "In Process" up until the Scheduled Date at 2:00 PM Eastern time. A bill payment is considered "Completed" (the payment has been sent however payment has not yet cleared) on the next Business Day after the Scheduled Payment Date. You may cancel or edit any Pending Payment (including recurring payments) however all edits must be completed by the 2:00 PM cutoff time the day the payment is scheduled. There is no charge for canceling or editing a Pending Payment. We may not have a reasonable opportunity to act on any stop payment or cancellation order given after a payment is "In Process" and it is not possible to stop or cancel a payment which is "Completed". If you desire to cancel or stop any payment which is "In Process" you must call the Member Service Department at (866) 674-2848 toll free or (586) 263-8800 locally. Although we will make every effort to accommodate your request we will have no liability for failing to do so. Stop payment requests sent to us via electronic mail or in any other manner will not reach us in time for us to act on your request. Such stop payment requests will be accepted only if we have a reasonable opportunity to act on such requests. If you call, we may also require you to present your request in writing within fourteen (14) days after you call. The charge for each stop payment order will be the then current charge for such service as set forth in the applicable fee schedule.

The Service will use its best efforts to make all your payments properly. However, the Service shall incur no liability if it is unable to complete any payments initiated by you through the Service because of the existence of any one or more of the following circumstances:

- If, through no fault of ours, your Payment Account does not contain sufficient available funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account (for an explanation of how we determine your available balance, please refer to the Membership and Account Agreement, the terms and conditions of which are incorporated here by this reference);

- The bill payment processing center is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;
- The Payee mishandles or delays a payment sent by the Service;
- You have not provided the Service with the correct name, phone number or account information for the Payee; or,
- Circumstances beyond the Service's control (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

Provided none of the foregoing five (5) exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Payment Account or causes funds from your Payment Account to be directed to a Payee which does not comply with your Payment Instructions, the Service shall be responsible for returning the improperly transferred funds to your Payment Account and for directing to the proper Payee any previously misdirected transactions.

II. Prohibited Payments. The following payments are prohibited through the Service:

- Tax Payments;
- Court ordered payments; and
- Payments to Payees outside of the United States.

THE FOREGOING SHALL CONSTITUTE THE SERVICE'S ENTIRE LIABILITY AND YOUR EXCLUSIVE REMEDY. IN NO EVENT SHALL THE SERVICE BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE EQUIPMENT, SOFTWARE, AND OR THE SERVICE.

III. Exclusions of Warranties. THE SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

IV. Password and Security. You agree not to give or make available your bill payment password or other means to access your account to any unauthorized individuals. You are responsible for all bill payments you authorize using the Service. If you permit other persons to use the Service or your bill payment password or other means to access your account, you are responsible for any transactions they authorize. If you believe that your bill payment password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify the Service at once by calling 586-263-8800 during normal member service hours.

V. Your Liability For Unauthorized Transfers. If you tell us within two (2) Business Days after you discover your bill payment password or other means to access your account has been lost or stolen, you can lose no more than \$50.00 if someone uses your bill payment password or other means to access your account without your permission. If you do not tell us within two (2) Business Days after you learn of such loss or theft, and we can prove that we could have prevented the unauthorized use of your bill payment password or other means to access your account if you had told us, you could lose as much as \$500.00. If your monthly statement contains transfers 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, you may lose any amount transferred without your authorization, if we can prove that we could have stopped someone from taking the money. If a good reason (such as a long trip or a hospital stay) prevented you from telling us, we may extend the period.

VI. Errors and Questions. In case of errors or questions about your transactions contact us as soon as possible:

- Telephone us at 1-866-674-2848 (toll free) or locally at 586-263-8800 during normal member service hours; or,
- Write us at:
Michigan Schools and Government Credit Union
C/O Bill Payment Processing
40400 Garfield Rd.
Clinton Twp., MI 48038
- Email service@msgcu.org
- Fax 586-263-8826

If you think that your statement is wrong or you need more information about a bill payment listed on the statement, we must hear from you no later than sixty (60) days after you received the FIRST statement on which the problem or error appeared.

You must:

- Tell us your name and the Service account number;
- Describe the error or 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; and,
- Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send your complaint in writing within ten (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 forty-five (45) days to investigate the complaint or question. If we decide to do this, we will provisionally credit your Payment Account within ten (10) Business Days for the amount you think is in error, so that you may 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 provisionally credit your Payment Account. If we decide there was no error, we will mail you a written explanation within three (3) Business Days after we finish the investigation. You may ask for copies of documents which we used in our investigation. The Service may revoke any provisional credit provided to you if we find that an error did not occur.

VII. Disclosure of Account Information to Third Parties. It is our general policy to treat your account information as confidential. However, we will disclose information to third parties about your account or the transactions you make ONLY in the following situations:

- Where it is necessary for completing transactions.
- In order to verify the existence and condition of your account to a third party, such as a credit bureau or Payee;
- To a consumer reporting agency for research purposes only;
- In order to comply with a governmental agency or court orders; or,
- If you give us your written permission.

VIII. Charges. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize the Service to charge your designated Payment Account for these amounts and any additional charges that may be incurred by you. Any fees associated with your standard deposit accounts will continue to apply. You are responsible for any and all telephone access fees and/or Internet service fees that may be assessed by your telephone and/or Internet service provider.

IX. In The Event A Service Transaction Is Returned. In using the Service, you are requesting the system make payments for you from your Payment Account. If we are unable to complete the transaction for any reason associated with your Payment Account (for example, there are not sufficient funds in your Payment Account to cover the transaction), the transaction may not be completed. In some instances, you will receive a return notice from Michigan Schools and Government Credit Union. In such case, you agree that:

- You will reimburse the Service immediately upon demand the transaction amount that has been returned to the Service;
- For any amount not reimbursed to the Service within fifteen (15) days of the initial notification, a late charge equal to 1.5% monthly interest or the legal maximum, whichever rate is lower, for any unpaid amounts may be imposed;
- You will reimburse the Service for any fees imposed by your financial institution as a result of the return;
- You will reimburse the Service for any fees it incurs in attempting to collect the amount of the return from you; and,
- The Service is authorized to report the facts concerning the return to a credit reporting agency.

X. Alterations and Amendments. These Terms and Conditions (the "Agreement"), applicable fees and service charges may be altered or amended by the Service from time to time. In such event, the Service shall send notice to you at your address as it appears on the Service's records. Any use of the Service after the Service sends you a notice of change will constitute your agreement to such change(s). Further, the Service may, from time to time, revise or update the programs, services, and/or related material, which may render all such prior versions obsolete. Consequently, the

Service reserves the right to terminate this Agreement as to all such prior versions of the programs, services, and/or related material and limit access to the Service's more recent revisions and updates.

- XI. Address or Banking Changes.** You agree to promptly notify in writing the Member Service Department of any address change. Additionally, you agree to notify the Member Service Department in writing at least ten (10) Business Days in advance of any change in your Payment Account or your banking status.
- XII. Termination or Discontinuation.** In the event you wish to discontinue the Service, you must contact the Member Service Department in writing. Such notice of service discontinuance must be supplied ten (10) days prior to the actual discontinuance date and must be sent to:

Michigan Schools and Government Credit Union
C/O Bill Payment Processing
40400 Garfield Rd.
Clinton Twp., MI 48038

The Service may terminate service to you at any time and/or revoke your right to use software. Neither termination nor discontinuation shall affect your liability or obligations under this Agreement.

- XIII. Payee Limitation.** The Service reserves the right to refuse to pay any Payee to whom you may direct a payment. The Service is obligated to notify you promptly if it decides to refuse to pay a Payee designated by you. This notification is not required if you attempt to make a prohibited payment under this Agreement.
- XIV. Information Authorization.** Your enrollment in the Service may not be fulfilled if the Service cannot verify your identity or other necessary information. Through your enrollment in the Service, you agree that the Service reserves the right to request a review of your credit rating at its own expense through an authorized bureau. In addition, you agree that the Service reserves the right to obtain financial information regarding your account from a Payee or financial institution to resolve payment-posting problems.
- XV. Disputes.** In the event of a dispute regarding the Service, you and the Service agree to resolve the dispute by looking to this Agreement. You agree that this Agreement is the complete and exclusive statement of the agreement between you and the Service, which supersedes any proposal or prior agreement, oral or written, and any other communications between you and the Service relating to the subject matter of this Agreement. If there is a conflict between what an employee of the Service or the Member Service Department says and the terms of this agreement, the terms of this agreement will prevail.
- XVI. Assignment.** You may not assign this Agreement to any other party. The Service may assign this Agreement to any future, directly or indirectly, affiliated company. The Service may also assign or delegate certain of its rights and responsibilities under this Agreement to independent contractors or other third parties.
- XVII. No Waiver.** The Service shall not be deemed to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the Service. No delay or omission on the part of the Service in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.
- XVIII. Captions.** The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.
- XIX. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without regard to its conflicts of laws provisions. Disputes arising under this Agreement are subject to the Arbitration provision contained in the Membership and Account Agreement. The following fees may be assessed against your account:
- Non-sufficient funds
 - Stop payment



For a complete explanation of fees associated with overdrafting your account, please refer to your Membership and Account Agreement. For a listing of the fees associated with Bill Payment and/or overdrafting your account, please see, the Michigan Schools and Government Credit Union's Fee Schedule and Business Account Fee Schedule.