

# REGULATION E DISCLOSURE

**Financial Institution:** Northwest Bank of Rockford  
Main Office  
3106 N Rockton Avenue  
Rockford, IL 61103

## ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURES

This Agreement and Disclosure is made in compliance with federal law regulating electronic funds transfer (EFT) services. Electronic funds transfers are electronically initiated transfers of money involving an account at the Financial Institution. The following disclosures set forth your and our rights and responsibilities concerning the electronic funds transfers. In this Agreement, the words "you" and "your" mean those who sign as applicants or any authorized user(s). The words "we", "us" and "our" mean the Financial Institution. The abbreviation "PIN" or word "code" means a personal identification number.

### E-Statements

To sign up, simply log into Internet Banking and click on the "Statements" tab. You will be prompted to enroll on the E-Statement Sign-Up Form. To complete enrollment, you will need your account number, your last name and the last four digits of your Social Security number. After you accept the E-Statement Agreement, go to the "Options" tab to choose the accounts you would like to receive e-statements. You will receive an email each account cycle notifying you when your e-statement is ready

**Types of Transactions:** You may access certain account(s) you maintain with us by computer using your assigned user ID and password by accessing the online banking service. You may use the online banking service to perform the following functions:

#### Fees and Charges for Online Service:

- \* There is no charge for receiving your statements electronically.

### Mobile Banking

You may access your accounts by web enabled cell phone by visiting <https://4myact.mobi/71048001/mlogin.xhtml> and using your user ID and PIN. To change your pin, access your account by SMS text message to 469-228. To unenroll in mobile banking, text STOP to 469-228 or log onto online banking at [www.nwbrockford.com](http://www.nwbrockford.com).

**Types of Transactions:** You may access certain account(s) you maintain with us by computer using your assigned user ID and password by accessing the online banking service. You may use the online banking service to perform the following functions:

- \* Transfer funds between eligible accounts.
- \* Obtain balance information on eligible accounts.
- \* Review transactions on eligible accounts.
- \* Make loan payments.
- \* Online bill payment.

#### Limitations on Frequency and Amount:

- \* See General Limitations section regarding additional limitations on savings accounts.
- \* For security purposes, there are limits on the frequency and amount of transfers you may make using this Online Banking Service.

#### Fees and Charges for Online Service:

- \* You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use your service, check with your cell phone provider on details on specific fees and charges.

### Online Banking

You may access your account(s) through the Internet at [www.nwbrockford.com](http://www.nwbrockford.com) using your user ID and password information.

**Types of Transactions:** You may access certain account(s) you maintain with us by computer using your assigned user ID and password by accessing the online banking service. You may use the online banking service to perform the following functions:

- \* Transfer funds between eligible accounts.
- \* Obtain balance information on eligible accounts.
- \* Review transactions on eligible accounts.
- \* Stop payment requests.
- \* Online bill payment.
- \* Obtain copy of statement.
- \* Order checks.
- \* Allow export of transaction history to personal finance manager.
- \* Make payments to loan accounts at Northwest Bank.

#### Limitations on Frequency and Amount:

- \* See General Limitations section regarding additional limitations on savings accounts.
- \* For security purposes, there are limits on the frequency and amount of transfers you may make using this Online Banking Service.

#### Fees and Charges for Online Service:

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**REGULATION E DISCLOSURE  
(Continued)**

- \* There is no charge for banking online with us.

**ATM Card - 24 Hour**

**Types of Transfers:** You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the ATM Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- \* Deposit funds to your checking account.
- \* Withdraw cash from your checking account.
- \* Deposit funds to your savings account.
- \* Withdraw cash from your savings account.
- \* Transfer funds between your checking and savings accounts.
- \* Obtain balance information on your deposit accounts.
- \* Some of these services may not be available at all terminals. Withdrawals made from an ATM card could advance funds from a pre-approved and written Overdraft Protection Agreement you may have.

**Limitations on Frequency and Amount:**

- \* For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs.
- \* This card may not be used to purchase goods or services. Daily limits are set at time of card issuance.

**Fees and Charges for ATM Transactions:**

- \* There is no charge for ATM withdrawals at machines owned by us.
- \* There is no charge for ATM deposits at machines owned by us.
- \* When you use a domestic ATM not owned by us, you may be charged a fee by the ATM operator or network. You may be charged a fee for a balance inquiry even if you do not complete a fund transfer. If you meet the qualifications associated with a qualification cycle period for MyRewards and MyRewards Bundle checking, those ATM fees will be reimbursed up to a maximum of \$20.00 per qualification cycle period. ATM fee reimbursements will be credited to your account on the last day of your statement cycle. ATM fees of \$4.99 or less will be reimbursed up to a maximum of \$4.99 per individual transaction. ATM fees of \$5.00 and higher will be reimbursed if the appropriate ATM receipt is presented to a representative at one of our branches. If you believe that you have not been reimbursed the correct amount, please contact us. We must hear from you no later than 30 days after the statement cycle where the reimbursement was applicable. The collective total of all ATM fees that will be reimbursed for a qualification cycle will not exceed the \$20.00 limit established for each qualification cycle. Note: ATM withdrawals do not count as qualifying debit card transactions for purposes of earning rewards within this account.
- \* There is a Replacement Card Fee of \$15.00 per card.
- \* ATM Card Express Delivery Fee - \$ 60.00.

**ATM Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

**Prearranged Transfers**

**Types of Preauthorized Transfers:** You may arrange for us to complete the following preauthorized transfers to or from your deposit accounts:

- \* Pay certain recurring bills from your checking or savings account.
- \* Preauthorized credits: You may make arrangements for certain direct deposits to be accepted into your checking and/or savings account(s).  
Preauthorized debits: You may make arrangements for certain interest payments to be debited from your Certificate of Deposit account(s).

**Limitations on Frequency and Amount:**

- \* If sufficient funds are available in your account. See General Limitations section regarding additional limitations on savings accounts.

**Fees and Charges:**

- \* We do not charge for any preauthorized EFTs. There is a direct deposit receipt fee of \$1.00 if a receipt is required.

**Debit / ATM Card**

**Types of Transactions/Transfers:** You may use the card and PIN issued you to pay for purchases from merchants who have agreed to accept the card at Point of Sale (POS) terminals within the networks identified on your card and such other terminals as the Bank may designate from time to time. Point of Sale (POS) transactions will be deducted from your Primary Account. Point of Sale (POS) transactions involving a refund will be credited to your Primary Account. You may also use the card to pay for purchases from merchants that accept the POS debit card with a MasterCard symbol. You may use the automated teller machine (ATM) card and personal identification number (PIN) issued to you to initiate transactions at ATMs of ours, ATMs within the networks identified on your card and such other facilities as we may designate from time to time. Unless you specify a different account during Automated Teller Machine (ATM) transactions, your Primary Account will be used for your transactions. Your Primary Account number and information may be obtained from the Combined ATM/POS/Debit Card Request Form. At present you may use your card to (some of these services may not be available at all ATMs):

- \* Deposit funds to your checking account.
- \* Withdraw cash from your checking account.
- \* Deposit funds to your savings account.
- \* Withdraw cash from your savings account.

## REGULATION E DISCLOSURE (Continued)

- \* Transfer funds between your checking and savings accounts.
- \* Obtain balance information on your deposit accounts.
- \* Purchase goods (in person, by phone, by computer). Get cash from a merchant, if the merchant permits, or from a participating financial institution. Do anything else you can do with a credit card at a participating merchant.

### Limitations on Frequency and Amount:

- \* You may withdraw up to a maximum of \$500.00 (if there are sufficient funds in your account) per day.
- \* For security purposes, there are limits on the frequency and amount of transfers you may make using ATMs and this Point of Sale service.
- \* Daily limits are set at time of card issuance. Some of these services may not be available at all terminals. Withdrawals or purchases made with an ATM or Debit Card could advance funds from a pre-approved and written Overdraft Protection Agreement you may have.
- \* You may purchase up to a maximum of \$2000.00 worth of goods and services per day, exclusive of ATM withdrawals.
- \* Temporary higher daily limits can be obtained at the bank's discretion by calling the bank at (815) 987-4550, unless a different limit is set at time of issuance.

### Fees and Charges:

- \* We do not charge for ATM transactions at the present time.
- \* There is a Replacement Card Fee of \$15.00 per card.
- \* Debit Card Express Delivery Fee - \$ 60.00  
PIN Change - no charge.
- \* Currency Conversion: If you effect a transaction with your MasterCard branded card in a currency other than U.S. Dollars, MasterCard International will convert the charge into a U.S. Dollar amount. MasterCard International will use its currency conversion procedures, disclosed to institutions that issue MasterCard cards. Currently, the conversion rate used by MasterCard International to determine the transaction in U.S. dollars for such transactions is generally either a government mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an additional factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

**ATM Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

### 24-Hour Telephone Banking

You may access your account(s) by telephone at 877-422-1782, using a touch tone phone, your account number(s), and your personal identification number.

**Types of Audio Response Services:** You may access your deposit accounts by using a separate personal identification number (PIN) assigned to you and your account number in our audio response system. At the present time you may use the system to:

- \* Transfer funds between your deposit accounts.
- \* Obtain balance information on your deposit accounts.
- \* Verify the last date and amount of your payroll deposit.
- \* Determine if a particular check has cleared your account.
- \* Make payment from checking and/or savings accounts to loan accounts with us. Obtain transaction history on accounts.

### Limitations on Frequency and Amount:

- \* You are limited to the following number of inquiries, transfers or withdrawals: There are no limits on the number or dollar amount of inquiries. See General Limitations section regarding additional limitations on savings accounts.
- \* There is no limit on the amount of any transfer or withdrawal from the funds in your deposit accounts.
- \* For security purposes, there are limits on the frequency and amount of transfers you may make using this Audio Response service.

### Fees and Charges for Audio Response Transactions:

- \* We do not charge for any Audio Response Transactions.

**Other EFT Transactions.** You may access certain account(s) you maintain with us by other EFT transaction types as described below.

**Electronic Check Conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your account using information from your check to pay for purchases or pay bills. Electronic check conversion is a payment process in which a merchant or other payee (after obtaining your authorization) uses your check to gather routing, account, and check number information to initiate a one-time EFT. When information from your check is used to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment. This type of EFT transaction involving a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. A description of the transaction will appear on your statement.

**Re-presented Check Transactions and Fees.** You may authorize a merchant to electronically collect a fee associated with the re-presentation of a check that is returned due to insufficient or unavailable funds. The resulting fee transaction is debited as an EFT from a consumer account is covered by the Electronic Funds Transfer Act and this disclosure. When a merchant re-presents a check electronically, that transaction is not covered by the Electronic Funds Transfer Act or this disclosure. A description of the transaction will

## REGULATION E DISCLOSURE (Continued)

appear on your statement.

**Electronic Funds Transfers Initiated by Third Parties:** You may authorize a third party to initiate electronic fund transfers between your account and a third party's account. These transfers to make or receive payment may be a one-time occurrence or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payment networks. Your authorization to the third party to make these transfers can occur in a number of ways. In some cases, your authorization can occur when the merchant posts a sign informing you of their policy. In all cases, the transaction will require you to provide the third party with your account number and financial institution information. This information can typically be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to a trusted third parties whom you have authorized to initiate electronic fund transfers.

**The following limitations may be applicable to your accounts, except as provided by law:**

**Liability for Unauthorized MasterCard Debit Card Transactions on Cards Issued to Certain Consumers and Small Businesses.** The zero liability limit described below only applies to a United States-issued MasterCard branded debit card issued to: (i) a natural person, or (ii) a business or other entity only if the card is issued under a "small business" program described on MasterCard's website at [www.mastercardbusiness.com](http://www.mastercardbusiness.com). The zero liability limit described below does not apply if you are a business or an entity of any sort (corporation, limited liability company, partnership, etc.) unless the card issued to you is a "small business" card described above. The zero liability limit described below does not apply until your identity is registered by or on behalf of the card issuer. Under MasterCard's zero liability policy as described in the MasterCard Rules (as may be amended from time to time), the zero liability limitation described below may not apply for other reasons.

Tell us AT ONCE if you believe your MasterCard debit card has been lost or stolen or if you believe any unauthorized transactions have been made using your MasterCard debit card. Your liability for unauthorized use of your debit card with the MasterCard logo will not exceed zero dollars (\$0.00) if the following conditions have been met: (i) you have exercised reasonable care in safeguarding your card from risk of loss or theft; and (ii) upon becoming aware of such loss or theft you promptly reported the loss or theft to us. If the conditions set forth above have not been met, you may be liable for unauthorized transactions to the extent allowed under applicable law (for example, see **Liability for Unauthorized Transfers** paragraph below). To notify us of lost or stolen cards, or of unauthorized transactions, call or write to us at the telephone number or address set forth in the **Liability for Unauthorized Transfers** paragraph below. This will help prevent unauthorized access to your account and minimize any inconvenience.

This additional limitation on liability does not apply to ATM transactions or transaction using your personal identification number which are not processed by MasterCard.

MasterCard is a registered trademark of MasterCard Worldwide or its subsidiaries in the United States.

**In addition to the limitations set forth above, the following limitations may be applicable to your accounts:**

**Liability for Unauthorized Transfers.** Tell us AT ONCE if you believe your card, ATM PIN, POS card or PIN, Audio Response PIN, or online banking 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). If you tell us within two (2) business days after you learn of the loss or theft of your card or code, you can lose no more than \$50.00 if someone used your card or code without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card or code, and we can prove that we could have stopped someone from using your card or code without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, including those made by card code or other such means, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (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 that your card or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (815) 987-4550, or write us at NORTHWEST BANK OF ROCKFORD, 3106 N ROCKTON AVE, Rockford, IL 61103. You should also call the number or write this address if you believe a transfer has been made using the information from your check without your permission.

**Illegal Transactions.** You may not use your ATM, POS, or Debit Card, or other access device for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness. Notwithstanding the foregoing, we may collect on any debt arising out of any illegal or unlawful transaction.

**Business Days.** For purposes of these electronic funds transfer disclosures, our business days are Monday through Saturday. Holidays are not included.

**Stop Payments on ATM, POS, or Debit Card Transactions.** You may not place a stop payment order on any ATM, POS, or debit card transaction.

### **Documentation.**

**Periodic Statement.** You will get a monthly account statement from us, unless there are no transactions in a particular month. In any case you will get a statement quarterly. You will get a quarterly statement from us on your savings account if this is the only account you maintain and the only possible electronic transfer to or from the account is a preauthorized deposit.

**Terminal Receipt.** You can get a receipt at the time you make a transfer to or from your account using one of our ATMs or a POS terminal. However, receipts for transactions of \$15.00 or less may not always be available.

**Direct Deposits.** If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us at (815) 987-4550 to find out whether or not the deposit has been made.

**Our Liability for Failure to Make Transfers.** 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 some exceptions. We will NOT be liable for instance:

- \* If, through no fault of ours, you do not have enough money in your account to make the transfer.
- \* If the money in your account is subject to legal process or other claim restricting such transfer.
- \* If the transfer would go over the credit limit on your overdraft line.
- \* If the ATM where you are making the transfer does not have enough cash.
- \* If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.

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**REGULATION E DISCLOSURE  
(Continued)**

- \* If circumstances beyond our control (such as fire or flood) prevent the transaction, despite reasonable precautions that we have taken.
- \* There may be other exceptions stated in our agreement with you.

**In Case of Errors or Questions About Your Electronic Transfers.** Telephone us at (815) 987-4550, or write us at NORTHWEST BANK OF ROCKFORD, 3106 N ROCKTON AVE, Rockford, IL 61103 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 sixty (60) days after we sent the FIRST statement on which the problem or error appeared.

- \* Tell us your name and account number (if any).
- \* 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.
- \* 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 determine whether an error occurred 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 your complaint or question. If we decide to do this, we will credit 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 credit your account.

If a notice of error involves an electronic fund transfer that occurred within thirty (30) days after the first deposit to the account was made, the error involves a new account. For errors involving new accounts, point of sale debit card transactions, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) 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.

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

- \* To complete transfers as necessary;
- \* To verify the existence and condition of your account upon the request of a third party, such as a credit bureau or merchant; or
- \* To comply with government agency or court orders; or
- \* If you give us your written permission.

**Personal Identification Number (PIN).** The ATM PIN, POS PIN or Audio Response PIN issued to you is for your security purposes. The numbers are confidential and should not be disclosed to third parties or recorded on the card. You are responsible for safekeeping your PIN(s). You agree not to disclose or otherwise make your ATM PIN, POS PIN or Audio Response PIN available to anyone not authorized to sign on your accounts.

**Notices.** All notices from us will be effective when we have mailed them or delivered them to your last known address on our records. Notices from you will be effective when received by us at the telephone number or the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to 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 your account and any future changes to those regulations.

**Enforcement.** In the event either party brings a legal action to enforce this Agreement or collect amounts owing as a result of any Account transaction, the prevailing party shall be entitled to reasonable attorneys' fees and costs, including fees on any appeal, subject to any limits under applicable law.

**Termination of ATM, POS and Audio Response Services.** You agree that we may terminate this Agreement and your use of the ATM Card, POS or Audio Response services, if:

- \* You or any authorized user of your ATM PIN, POS card or PIN or Audio Response PIN breach this or any other agreement with us;
- \* We have reason to believe that there has been an unauthorized use of your ATM PIN, POS card or PIN or Audio Response PIN;
- \* We notify you or any other party to your account that we have cancelled or will cancel this Agreement. You or any other party to your account can terminate this Agreement 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.

**Preauthorized Electronic Fund Transfers.**

**Stop Payment Rights.** If you have told us in advance to make regular electronic fund transfers out of your account(s), you can stop any of these payments. Here's how: Call us or write to us at the telephone number or address set forth above, in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. We will charge you \$ 35.00 for each stop payment order you give.

**Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only 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.

**Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop one of these payments three (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.

**Other Provisions.** There may be a delay between the time a deposit is made and when it will be available for withdrawal. You should review our Funds Availability Policy to determine the availability of the funds deposited at ATMs. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.

## REGULATION E DISCLOSURE (Continued)

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**General Limitations.** In addition to those limitations on transfers elsewhere described if any, the following limitations apply; Transfers from a savings account to another account or to third parties via pre-authorized withdrawals, telephone banking service, automatic transfers, computer transfers, at a point of sale terminal using your Debit Card or by check, draft or similar order are limited to six per statement cycle/month. If you exceed the transfer limitations set forth above in any month, your account will be subject to closure by Northwest Bank.

### ATM SAFETY TIPS

As issuers of Automated Teller Machine (ATM) access devices, we have provided for your information a list of safety precautions regarding the use of automated teller machines. Please read the following safety tips:

- \* Be aware of your surroundings, particularly at night.
- \* Consider having someone accompany you when the automated teller machine is used after dark.
- \* It is appropriate to politely ask someone who is uncomfortably close to you to step back before you complete your transaction.
- \* Refrain from displaying your cash. Pocket it as soon as your transaction is completed. Count the cash later in the safety of your locked car or home.
- \* Consider using another automated teller machine or coming back later if you notice anything suspicious. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, pocket your ATM access device and leave.
- \* Go to the nearest public area where people are located if you are followed after making a transaction.
- \* Report all crimes to the operator of the ATM or to law enforcement officials immediately.