

## **ELECTRONIC BANKING DISCLOSURE**

### **Account Access**

Online Banking is an Internet-enabled service provided to our customers. By using Online Banking with your personal Password and Access ID, you can:

- Make account inquiries
- Check account balances
- Transfer funds between your savings, checking and money market account
- Access your current account statement(s)
- Download account history into personal financial management software, such as Quicken and Microsoft Money
- Make online bill payments

Available services may be added or cancelled at any time. We will update this Agreement to notify you of the existence of new services. By using these services when they become available, you agree to be bound by the rules contained in this Agreement.

You can use Online Banking seven days a week, 24 hours a day. However, from time to time, some or all of Online Banking services may not be available due to system maintenance.

### **Limitations on Funds Transfers From Money Market Checking and/or Savings Accounts**

Pursuant to federal regulations, you are limited to the number of certain transactions you can make on your Savings and/or Money Market Checking Accounts.

For Savings Accounts you may make no more than six (6) transfers to another account or to a third party by pre-authorized, online transfers, automatic transfers, telephone transfers, fax requests, voice response requests, and ACH (Automated Clearing House-electronic transactions) per month.

For Money Market Checking Accounts, you may make no more than six (6) transfers to another account or to a third party by pre-authorized, online transfers, automatic transfers, point of sale (POS), telephone transfers, fax requests, voice response requests, and ACH (Automated Clearing House-electronic transactions), of which only three (3) may be checks, per statement cycle.

Online transfers are transactions between accounts initiated through Online Banking. Telephone transfers are transfers between accounts initiated by a personal telephone call. Preauthorized withdrawals are transfers made according to a specific agreement between a customer and us or another party. (Examples of preauthorized withdrawals are regular electronic payments from savings made to a third party, such as health clubs, insurance companies, etc.) Check access refers to any checks you write on your Money Market account.

### **Disclosure of Information to Third Parties**

We will disclose information about your account to third parties only when one of the following conditions exist:

- When necessary to complete a transaction requested by you.
- In order to verify existence and status of your account(s), such as for a retail merchant or credit reporting agency.
- In order to comply with government agencies or court orders.
- When an inquiry is made regarding whether your account has sufficient funds to cover a check drawn on your account.
- If you give us written permission.

We may disclose information about your account to account verification services, such as ChexSystems, Inc. ®. If we close your account because of your unsatisfactory handling, fraud or attempted fraud or criminal activity.

Information we report usually includes your name, address, Taxpayer Identification Number (TIN), driver's license number and the date and reason the account was closed. The account verification service may supply this information to others. This may adversely impact your ability to establish an account at another financial institution for up to five years from the date of our report.

Information concerning your account history with Regal Financial Bank will be shared within the Regal Financial Bank organization. Other information, including information you have given us as part of an application for one of our products or services or information we have received from a credit bureau or other third party, also may be shared among affiliated companies within the organization, with bank regulators and agents.

### **Documentation**

You will continue to receive your regular account statement either monthly or quarterly, depending on the type of account. If you currently receive a quarterly statement, when conducting on-line transactions you agree that we may change your statement to a monthly cycle to comply with Federal Regulations.

If you have arranged to have direct deposits made to your account, you can review your account history using Online Banking or call us at 206 621 0808 during regular business hours to find out whether or not the deposit has been made.

### **Preauthorized Payments**

If you have told us in advance to make regular payments (preauthorized payments) out of your account, you can stop any of these payments. Here's how:

You may notify us verbally during regular business hours at 206 621 0808, or write us at Regal Financial Bank, PO BOX 21485, Seattle, WA 98111, at least three (3) business days or more before the scheduled date of the transaction. If you make a verbal request, we may require you to notify us in writing within fourteen (14) days of the verbal notification. (See your Terms and Conditions for Electronic Funds Transfers and/or Schedule of Fees and Charges, prior receipt of which you acknowledge, for stop payment charge).

### **Account to Account Transfers**

If you have established two or more deposit accounts with Regal Financial Bank and use the online transfer feature provided as a convenience to you, it is believed to be in good faith by an authorized person.

A transfer made in a session that ends before 5:00 PM from any eligible account shall be made from collected funds and shall be available for withdrawal from the account into which the transfer is made as of the next banking day.

### **Our Liability for Failure to Make Transfer**

Regal Financial Bank agrees to make reasonable efforts to ensure full performance of Online Banking. Regal Financial Bank will be responsible for acting only on those instructions sent through Online Banking, which are actually received, and cannot assume responsibility for malfunctions in communication facilities not under our control, which may affect the accuracy or timeliness of messages you send. Regal Financial Bank is not responsible for any losses incurred should you give incorrect instructions, or if your transfer instructions are not given sufficiently in advance to allow for timely processing.

Any information you receive from Regal Financial Bank or other information providers is believed to be reliable. However, it can only be provided on a best-efforts basis for your convenience and is not guaranteed. Regal Financial Bank is not liable for any deficiencies in the accuracy, completeness, availability, or timeliness of such information, or for any investment or other decision made using this information.

Neither Regal Financial Bank nor other information providers are responsible for any computer virus or related problems, which may be attributable to services provided by your internet access provider.

You are responsible for obtaining, installing, maintaining, and operating all computer hardware and software necessary for performing Online Banking. Regal Financial Bank will not be responsible for any errors or failures from the malfunction or failure of your hardware or software.

Except as otherwise provided in the Regal Financial Bank's Responsibility section below, and in the absence of negligence on the part of Regal Financial Bank neither Regal Financial Bank, any Other Information Provider, nor any Other Software Supplier is responsible for any direct, indirect, special, incidental, or consequential damages arising in any way out of the use of Online Banking.

### **Regal Financial Bank Responsibility**

Regal Financial Bank will be responsible for your actual losses if they were directly caused by our failure to:

- Complete an Electronic Funds Transfer as properly requested.
- Cancel an Electronic Funds Transfer as properly requested.

However, we will not be responsible for your losses if:

- Through no fault of Regal Financial Bank, you do not have enough money in your account to make the transfer.
- Through no fault of Regal Financial Bank, the transaction would have caused you to exceed your available credit.
- Circumstances beyond our control (e.g., fire, flood, power outage, equipment or technical failure or breakdown) prevent the transfer, despite reasonable precautions that we have taken.
- There is a hold on your account, or if access to your account is blocked in accordance with banking policy.
- Your funds are subject to legal process or other encumbrance restricting the transfer.
- Your transfer authorization terminates by operation of law.
- You believe someone has accessed your accounts without your permission and you fail to notify us.
- You have not properly followed the scheduling instructions on how to make a transfer included in this Agreement.
- We have received incomplete or inaccurate information from you or a third party involving the account or transfer.
- We believe that unauthorized use of your Password or Account has occurred or may be occurring, or if you default under this Agreement, the Deposit Account Agreement or any other agreement with us, or if we or you terminate this Agreement.

There may be other exceptions stated in this agreement and in other agreements with you. In no event shall we be liable for damages in excess of your actual loss due to our failure to complete a transfer, and we will not be liable for any incidental or consequential damages.

If any of the circumstances listed above shall occur, we shall assist you with reasonable efforts in taking appropriate corrective action to reprocess the transactions that may not have been completed or to correct incorrect transactions that have been processed.

### **In Case of Errors or Questions About Your Electronic Transfers (Consumer/Personal Accounts Only)**

In case of errors or questions about your electronic funds transactions, or if you think your statement or receipt is wrong or if you need more information about an EFT listed on your account statement or receipt, contact Regal Financial Bank at (206) 621-0808, or write to us. We must hear from you no later than sixty (60) days after we have

sent the FIRST statement on which the problem or error appeared. We will need you to provide to Regal Financial Bank the following information.

- Your name and your account number.
- Describe the error or the EFT 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 verbally, 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 (twenty (20) business days if the account is still in its new account period after we hear from you) and will correct any error promptly. If we need more time, we may take up to forty-five(45) days or ninety (90) days if the account is still within its new account period, POS or a foreign transaction to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (twenty (20) business days if the account is still within its new account period) 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.

Regardless of the outcome of our investigation, we will send you a written explanation of our findings within three (3) business days after we complete our investigation. That explanation will include a notice of the date and the amount of the item in question. If our investigation reveals that no error occurred and we debit the provisional credit, we will continue to honor any third party checks or pre-authorized transfers for a period of five (5) business days to the extent that they would have been paid if the provisional credit had not been debited.

We will send you a written explanation within three (3) business days following our decision based on our investigation. You may request copies of the documents that we used in our investigation.

#### **Liability for Unauthorized Use (Consumers/Personal Accounts Only)**

If you believe that your Password and/or Access ID (including ATM/POS card or PIN), has been lost, stolen or discovered by an unauthorized person and you notify us within two (2) business days of the loss or theft, you can lose no more than \$50. If you do NOT notify us within two (2) business days after you learn of the loss or theft of your Password, Access ID, ATM/POS Card or PIN, and we can prove that we could have prevented someone from accessing your accounts via one of the above without your permission, you could lose as much as \$500.

Also, if your statement reflects any EFT's that you did not make or authorize, notify Regal Financial Bank AT ONCE. Failure to notify the Bank within sixty (60) days after the statement was mailed to you may result in zero compensation for any losses you may sustain if Regal Financial Bank can prove that we could have prevented someone from accessing your account(s) if you had notified us in time. If a good reason (such as a long trip or hospital stay) prevented you from notifying the Bank, we will extend the time periods.

If you authorize someone else to use your Password, Access ID, PIN, you are responsible for all transactions, which that person initiates at any time, even if the amount of the transaction or number of transactions exceeds what you authorize.

#### **PROVISIONS APPLICABLE TO BUSINESSES**

You agree that we may send notices and other communications to the current address shown in our records, whether or not that address includes a designation for delivery to the attention of any particular individual. You further agree that Regal Financial Bank will not be responsible or liable to you in any way if information is intercepted by an unauthorized person, either in transit or at your place of business.

You agree to:

- Keep your Password secure and strictly confidential, providing it only to authorized signers on your account(s).
- Instruct each person to whom you give your Password that he or she is not to disclose it to any unauthorized person.
- Immediately notify us and select a new Password if you believe your Password may have become known to an unauthorized person.

**THE BANK WILL HAVE NO LIABILITY TO YOU FOR ANY UNAUTHORIZED TRANSFER MADE USING YOUR PASSWORD THAT OCCURS BEFORE YOU HAVE NOTIFIED US OF POSSIBLE UNAUTHORIZED USE AND WE HAVE HAD A REASONABLE OPPORTUNITY TO ACT ON THAT NOTICE.**

By using the Online Banking, you acknowledge and agree that this Agreement sets forth security procedures for electronic banking transactions, which are commercially reasonable. You agree to be bound by your instructions, which we implement in compliance with these procedures, unless you have given us prior notice of possible unauthorized use as described above (and we had a reasonable opportunity to act on such notice).

If we fail or delay in making a transfer pursuant to your instructions, or if we make a payment or transfer in an erroneous amount which is less than the amount per your instructions, unless otherwise required by law, our liability shall be limited to interest on the amount which we failed to transfer, calculated from the date on which the transfer was to be received until the date it was actually made or you canceled the instructions.

If we make payment or transfer in an erroneous amount which exceeds the amount per your instructions, or if we permit an unauthorized transfer after we have had a reasonable time to act on a notice from you of possible unauthorized use as described above, unless otherwise required by law, our liability will be limited to a refund of the amount erroneously transferred, plus interest thereon from the date of the transfer to the date of the refund, but in no event to exceed sixty (60) days' interest. If we become liable to you for interest compensation under this Agreement or applicable law, such interest shall be calculated based on the average federal funds rate at the Federal Reserve Bank in the district where the Bank is headquartered for each day interest is due, computed on the basis of a 350-day year. **UNLESS OTHERWISE REQUIRED BY LAW, IN NO EVENT WILL THE BANK BE LIABLE TO YOU FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR ATTORNEYS' FEES, EVEN IF WE ARE ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES.**

#### **OFFICE OF FOREIGN ASSET CONTROL**

Under the Bank Secrecy Act, the Bank is prohibited from transacting business with persons or entities listed as "blocked" by the Office of Foreign Assets Control (OFAC). The official listing is published in the Federal Register and updated from time to time. You agree not to transact business with persons or entities blocked by OFAC. Return to Top.

#### **FEES AND CHARGES**

##### **Online Banking**

There are no fees or charges for accessing your account through Online Banking. Other fees, as described in your Schedule of Fees and Charges (prior receipt of which you acknowledge), may apply to services you order online.

## **OTHER GENERAL TERMS**

### **Other Agreements**

In addition to this Agreement, you agree to be bound by and will comply with all terms and conditions applicable to each of your accounts with Regal Financial Bank, as described in your Deposit Account Disclosure Booklet (prior receipt of which you acknowledge). Your use of the Online Banking is your acknowledgment that you have received these agreements and intend to be bound by them.

### **Severability**

In the event that any portion of this Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

### **Modifications to This Agreement**

Regal Financial Bank may modify the terms and conditions applicable to Online Banking from time to time upon mailing or delivering a notice of the modifications to you at the address shown on your account records, and the revised terms and conditions shall be effective at the earliest date allowed by applicable law.

### **Right to Terminate Agreement**

Regal Financial Bank reserves the right to terminate this Agreement and your access to Online Banking in whole or in part, at any time.

### **Inactivity Status**

If you do not access Online Banking during any consecutive sixty (60) day period your password will convert to inactive status. If your password becomes inactive, you must contact us to have the password re-activated before you will be able to access Online Banking or schedule any transaction.

This Agreement will remain in effect until it is terminated by you or Regal Financial Bank.

You understand that you may cancel this Agreement at any time by notifying Regal Financial Bank electronically or by mail at the address provided below. This will cancel Online Banking, but will not terminate your accounts with Regal Financial Bank.

You may notify Regal Financial Bank by one of the following methods:

- By calling (206) 621 0808 9:00 AM to 5:00PM Monday through Thursday.
- By writing a letter and taking it to our office.
- By writing a letter and sending it to the following address: Regal Financial Bank, PO BOX 21485, Seattle, WA 98111.