UNDERSTANDING YOUR CONSUMER DEPOSIT ACCOUNT

TERMS AND CONDITIONS
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TERMS AND CONDITIONS OF YOUR ACCOUNT

IMPORTANT ACCOUNT OPENING INFORMATION - Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of Connecticut and other applicable rules such as the operating letters of the Federal Reserve Banks, and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

(1) summarize some laws that apply to common transactions;
(2) establish rules to cover transactions or events which the law does not regulate;
(3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
(4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words “we,” “our,” and “us” mean the financial institution and the words “you” and “your” mean the account holder(s) and anyone else with authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms “you” and “your” should not be interpreted, to expand an individual’s responsibility for an organization’s liability. If this agreement is entered by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and vice versa.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys’ fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys’ fees can be deducted from your account when they are incurred, without notice to you.

OUR RIGHT TO CLOSE, DISCONTINUE OR LIMIT ACCOUNTS - We reserve our right to stop offering any particular type of account and to close your account at any time. We will mail you a check for the amount of collected funds on deposit as soon as is practicable. We reserve the right to decline to open an account for any person or business. We have the right to limit the number of accounts owned by any depositor(s).

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn “on us”). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We...
are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to that account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip.

We will treat and record all transactions received after our "daily cutoff time" on a business day as transactions received the next business day that we are open. So the date we proceed to initiate the transaction on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party endorsers to verify or guarantee their endorsements, or refuse to process in our discretion.

WITHDRAWALS -

Generally - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice that this is not your intent in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that the bank that issues them agrees to honor the check in our presence. You may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified.

We may refuse any request to cash checks drawn on your account for immediate payment over the counter without liability to you when:

- You cannot reasonably confirm the identification of the person making the request;
- The request is made by a person other than the original named payee;
- The amount of the check is over $5,000.00;
- The check is made payable to a business entity;
- We believe that the request may cause an undue risk of loss to the bank; or
- We believe that the check is not properly payable.

A temporary debit authorization hold affects your account balance - On Visa Debit card purchases, merchants may request that we temporarily hold funds on your account for a specified amount of money, which may be more than the actual amount of your purchase. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will be adjusted to the actual amount of your purchase, but it may be up to three days before the adjustment is made. Until the adjustment is made, the amount of money in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold, funds greater than the amount of the temporary hold (NSF) transaction if we do not pay it or an overdraft transaction if we do pay it. You will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Here is an example of how this can occur — assume for this example the following:

1. You have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft, and (3) our overdraft fee is $35 per overdraft, but we do not charge the overdraft fee if the transaction overdraws the account by less than $5.

You have $100 in your account. You swipe your card at the card reader on a gasoline pump. Since it is unclear what the final bill will be, the gas station's processing system immediately requests a hold on your account in a specified amount, for example, $80. Our processing system authorizes a temporary hold on your account in the amount of $80, and the gas station's processing system authorizes you to begin pumping gas. You fill your tank, and the amount of the hold is released. However, the amount of your purchase is only $50. Our processing system shows that you have $40 in your account available for other transactions ($120 - $40 - $80) even though you would have $70 in your account available for other transactions if the amount of the temporary hold was equal to the amount of your purchase ($120 - $50 - $70). Later, another transaction you have authorized is presented for payment from your account in the amount of $60 (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request). This other transaction is presented before the amount of the temporary hold is adjusted to the amount of your purchase (remember, it may take up to three days for the adjustment to be made). Because the amount of this other transaction is greater than the amount our processing system shows is available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction overdrews your account by $20, your account will be assessed the overdraft fee of $35 according to our overdraft fee policy. You will be charged this $35 fee according to our policy even though you would have had enough money in your account to cover the $60 transaction if your account had only been overdrewn by $20. If the temporary hold is adjusted for the amount of the purchase, you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Multiple signatures - We do not establish any accounts that require two (2) or more signatures on any items drawn on the account. If, for example, you state you require two signatures if greater than $1,000, you acknowledge that such provision is solely for your personal or internal control purposes. You shall indemnify and hold us harmless for losses due to paying any item bearing at least one authorized signature.

Electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items to which we have no opportunity to examine the signatures, you waive any requirement of signature verification.

Notice of withdrawal - We reserve the right to require not less than 7 days’ notice in writing before each withdrawal from an interest-bearing account other than a time deposit or demand deposit, or from any other savings account as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.

We reserve the right to limit the amount of funds that may be withdrawn from your account in cash for various reasons, including, without limitations, the amount of currency available at the branches and vault of the office. This limitation is in addition to those set forth in other sections of this Agreement.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual account - is an account in the name of one person.

Joint account - With Survivorship (And Not As Tenants In Common) - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will be paid, not distributed, to the survivor(s). If one of you dies before the other, the entire balance in the account as joint tenants with survivorship and not as tenants in common.

Revocable trust account - If you create such an account, the beneficiary cannot withdraw unless: (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change the beneficiary, (2) change account types, and (3) withdraw all or part of the account funds at any time.

N.O.W. accounts - Federal law limits the types of depositors who are eligible to hold an interest-bearing transaction account, such as our N.O.W. account. You are eligible to hold these accounts if you are an individual, a sole proprietor, a non-profit organization, or an association operated for religious, philanthropic, charitable, educational or other similar purposes, as described in the Internal Revenue Code Sections 501 (c)(3) through (13), (19), Section 527, and Section 528.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you must ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before the item is paid. Because
stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for 60 days (or for 90 days, whichever is longer), or until the stop-payment order is revoked in writing. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was verbal we ask you to put your request in writing. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys’ fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we might take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is 6:00 P.M., on a regular banking day. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash, the ‘certified check’ stamp).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another you have opened with parties to whom you have transferred the account. Reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for learning enough about it in advance to cover any outstanding items to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be unreasonable for us to give you notice after the account closure becomes effective. For instance, if we find fraudulent activity with respect to your account, we might immediately freeze or close your account and thereafter deduct from your account the amount of the fraudulent transaction. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new terms.

NOTICES - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and account to which it pertains. If you deposit in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of us is notice to all of you.

STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries - You must examine your statement of account with “reasonable promptness,” if you discover or reasonably should discover any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could not only not exceed the amount of your savings account but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report unauthorized signatures, alterations and forgeries in your account within 60 days of when you first send or make the statement available, you cannot assert a claim against us on any items in that statement, and the stop payment will not exceed a total of 30 days. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the 60 day time period to report other errors.

Errors relating to electronic fund transfers or substitute checks - If on information errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions), refer to your Electronic Funds Transfer disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our written consent.

CHECKING ACCOUNT HOLDERS - This Account consists of a checking sub account and a savings sub account. The Bank may periodically transfer funds between these two sub accounts. On a sixth transfer during a calendar month, any funds in the savings sub account will be transferred back to the checking sub account. If your Account has a Plan on which interest is paid, your interest calculation will remain the same. Otherwise, the savings sub account will be non-interest bearing. The savings sub account will be governed by the rules governing our other savings accounts. This process will not affect your available balance, the interest you may earn, the TIDC insurance stamp.

DIRECT DEPOSITS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedies to recover the amount.

TEMPORARY ACCOUNT AGREEMENT - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may sign to authorize any withdrawal. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

SETOFF - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any account against any debt you owe us. If the account is owned by one or more of you in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor’s right of withdrawal only arises in a representative capacity, or (d) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check when the deposit is received because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

AUTHORIZED SIGNER (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner’s behalf. The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or_beneficiaries, other than by withdrawing funds from the accounts. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on the owner’s behalf. The owner may terminate the authority at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor transactions of the authorized signer until: (a) we have received written notice by mail of your death or when you have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

RESTRICTIVE LEGENDS OR ENDORSEMENTS - The automated processing of the largest checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements or other special instructions on every check. Examples of restrictive legends placed on checks are “must be presented within 90 days” or “not valid for more than $1,000.00.” The payee’s signature accompanied by the words “for deposit only” is an example of a restrictive endorsement. For this reason, we are not required to honor any restrictive legend or endorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks.

PAYMENT ORDER OF ITEMS - The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items you write. When processing items drawn on your account, our policy is to order them in the order that they are received. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. There is no policy that is favorable in every instance. If the smallest items are paid first, you may have fewer NSF or overdraft fees, but the largest, and perhaps more important items (such as rent or mortgage payments) might not be paid. If an
item is presented without sufficient funds in your account to pay it, we may, at our
discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts
of the overdraft and NSF fees are disclosed elsewhere. By paying items in the order
that we receive them, we think our policy attains a reasonable balance between
monitoring payment transactions for you, and we encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

CHECK PROCESSING - We process items mechanically by relying solely on the information encoded in magnetic ink. If, however, the information is not properly encoded, we may not be able to process the item. In such cases, we may return the item to you for proper correction. Unless ordered to stop payment by someone claiming an interest in the account, we will not stop payment on any deposited item.

DEATH OR INCOMPETENCE - When you die or become incompetent, your estate or conservator is the only person who can act for you. We will make payment to you, or the person providing us with proper identification, as directed by the person given the power. If the power of attorney is “durable,” it is revoked when you become incompetent. We may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or the death of an owner, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You agree not to hold us responsible for the acts or omissions of anyone you appoint as agent for your account.

PERSONAL AND TRANSACTIONS ACCOUNTS - These accounts are owned by the person who has the right to direct the disposition of the funds in the account. We are not responsible for the acts or omissions of anyone you appoint as agent for your account. The authority of an agent expires upon the death of the agent or the death of the person giving the power.

ENDOWMENT ACCOUNTS - These accounts are owned by the custodian who has unconditional use of the account when he or she reaches the age of majority. Before that time, the account may be accessed only by the custodian (or successor custodian) and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child’s benefit. You are not responsible to monitor age or eligibility for an UTMA account, even though our records may include the minor’s date of birth. It is the custodian’s responsibility to properly distribute the funds in the account upon the minor’s death or attainment of the age of majority. For this type of account, the child’s SSN/TIN is used for the Backup Withholding Certification.

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CASH TRANSACTION REPORTING - To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report information on some types of cash transactions. If the information we need to complete the report is not provided, we are required to refuse to handle the transaction. We may also have restrictions regarding these rules, please contact your local Internal Revenue Service office.

BACKUP WITHHOLDING/TIN CERTIFICATION - Federal tax law requires us to report interest payments we make to you of $10 or more in a year, and to include your taxpayer identification number (TIN) on the report. Interest includes dividends, interest and bonus payments for purposes of this rule. Therefore, we require you to provide us with your TIN and to certify that it is correct. The TIN is either a social security number (SSN) or an employer identification number (EIN). For most organization or business accounts other than sole proprietorships, the appropriate TIN is the EIN of the organization or business entity. For sole proprietorships, either the SSN or the EIN is appropriate. However, we must supply information to both the individual owner’s name and the business name of the sole proprietorship. The appropriate TINs for various other types of accounts are:

- **Account type - TIN**
- **Individual - TIN of the individual.**
- Joint Account - TIN of the owner named first on the account.
- Uniform Gift/Transfer to Minor - SSN of the minor.
- Informal (Revocable) Trust - SSN of the owner.

In some circumstances, federal law requires us to withhold and pay to the IRS a percentage of the interest that is earned on funds in your accounts. This is known as backup withholding. We will not have to withhold interest payments when you open your account if you certify your TIN and certify that you are not subject to backup withholding or if the IRS informs us that you are not required to have backup withholding. We may also have restrictions regarding these rules, please contact your local Internal Revenue Service office.

Backup withholding is required on interest paid to nonresident aliens, foreign persons, and the business name of the sole proprietorship. However, we must supply the TIN of both the individual owner’s name and the TIN of the business name of the sole proprietorship. The appropriate TINs for various other types of accounts are:

- **Account type - TIN**
- **Individual - TIN of the individual.**
- **Joint Account - TIN of the owner named first on the account.**
- **Uniform Gift/Transfer to Minor - SSN of the minor.**
- **Uniform Gift/Transfer to Minor - SSN of the minor.**
- **Informal (Revocable) Trust - SSN of the owner.**

With the above understandings, you authorize us to contact you regarding your account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us. This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile service, another radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and call. If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

**CLAIM OF LOSS** - If you claim a check or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we may require concerning your account, and the circumstances and surrounding the loss. We will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. If we have acted in bad faith, we will be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys’ fees incurred by you.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed “legal action” in this section), we must comply with that legal action as permitted by the law and in accordance with our discretion. This includes, but is not limited to, allowing other parties to use your account to settle any liabilities against your account. We are not responsible for any losses we may sustain. This means that the check is presented after we pay your claim, and we pay the check, you are responsible to cover our losses. We may require you to provide a surety bond to assure that you can pay us if we suffer a loss.

**CHECK STORAGE AND COPIES** - You agree that you will not receive your canceled checks. We will store your canceled checks or copies of them for a reasonable retention period. You may request copies from us in the manner we require.

**SECURITY** - It is your responsibility to protect the account numbers and electronic access devices (e.g., a debit card) we provide for you (account number(s)), do not discuss, share or provide information about your account number(s) with anyone unless you are willing to have them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment. You must also take precautions in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

**PREMIUM INTEREST RATES** - Time deposits, which are part of certain banking programs, may earn premium interest rates as long as you maintain your membership in the applicable banking program. The premium interest rate and APY, which may vary from time to time, are effective when the account is opened provided you request the premium rate at that time. Premium rates are subject to change at any time at the Bank's discretion in view of the market conditions at the time.
maturity, your time deposit rate will revert back to the posted interest rate for your particular time deposit product. Premium interest rates are not available on special time deposit promotions.

**UNLAWFUL INTERNET GAMBLING NOTICE** - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restrictions include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

**NOW ACCOUNT ORGANIZATION** - We have organized your NOW account in a nontraditional way. Your NOW account consists of two subaccounts. One of these is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontransaction subaccount (e.g., a savings subaccount). You cannot directly access the nontransaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you. This account organization will not change the amount of federal deposit insurance available to you, your available balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account. You will not see any difference between the way your NOW account operates and the way a traditionally organized NOW account operates, but this organization makes us more efficient and helps to keep costs down.

**NOTICE OF NEGATIVE INFORMATION**

Federal law requires us to provide the following notice to customers before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" includes information concerning delinquencies, overdrafts or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about customers that have not done what they are required to do under our agreement. After providing this notice, additional negative information may be submitted without providing another notice.

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.

**ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES**

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Fund Transfers Initiated By Third Parties**. You may authorize a third party to initiate electronic fund transfers between your account and the third party’s account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third-party transfers will require you to provide the third party with your account number(s) and bank information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your bank and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits (such as U.S. Treasury (Social Security) or some employers (payroll)) to be accepted into your checking or savings account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring payments from your checking or statement savings account(s).
- **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.
- **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic fund transfer to collect a charge in the event a check was returned for insufficient funds.

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to savings accounts.

**SBD Telephone Banking Transfers - types of transfers and dollar limitations** - You may access your account by telephone 24 hours a day using your personal identification number, a touch tone phone, and your account numbers, to:

- **Transfer funds from checking to checking or savings**
  - the minimum amount you may transfer is $10.00 per transfer
- **Transfer funds from statement savings to checking or savings**
  - the minimum amount you may transfer is $10.00 per transfer

- **Get information about:**
  - the account balance of checking or savings accounts
  - the last six deposits to checking or savings accounts
  - the last six withdrawals from checking or savings accounts

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to telephone transfers.

**ATM Balances: Your Visa Debit Card Available Balance may include cash reserve or draw account balances linked to your primary checking account.**

**ATM Transfers - PLUS, CIRRUS, Allpoint and Accel™ Networks** - (© 2013 Fiserv, Inc. or its affiliates. Accel and the Accel logo are trademarks of Fiserv, Inc.), - **types of transfers** - You may access your account(s) by ATM using your Visa Debit Card and personal identification number to:

- Make deposits to checking or savings account(s)
- Get cash withdrawals from checking or savings account(s)
- Transfer funds from savings to checking account(s)
- Transfer funds from checking to savings account(s)
- get information about:
  - the account balance of your checking or savings accounts

Some of these services may not be available at all terminals. Please also see **Limitations on frequency of transfers** section regarding limitations that apply to ATM transfers.

**Types of Debit Card Point-of-Sale Transactions** - You may access your checking account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

**Non-Visa Transactions:**

- **Point-of-Sale Transactions - dollar limitations** - Using your card:
  - You may not exceed $1,500.00 in transactions per day if PIN required, $1,500.00 per day if PIN not required (dollars limits may be higher upon bank approval)

Please also see **Limitations on frequency of transfers** section regarding limitations that apply to debit card transactions.

**Currency Conversion.** When you use your Visa Debit Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

**Advisory Against Illegal Use.** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Non-Visa Debit Transactions:** When you use your Visa Debit Card at certain merchant locations, if you do not enter a PIN, transactions may be processed as either a Visa Debit Card transaction or a transaction on the Accel or PLUS networks. Merchants must provide you with a clear way of choosing to make a Visa Debit Card transaction if they support this option. Please be advised that if the Accel or PLUS network processes your non-pinned transaction, different terms may apply and you will not be eligible for rewards accrued on transactions processed over the Visa network. Certain transfers are only available to Visa Debit Card transactions and will not apply to transactions processed on the Accel or PLUS networks.

**Limitations on frequency of transfers.** In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

- **Transactions from a statement savings account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer are limited to six per statement cycle with no transfers by check, Visa Debit Card or similar order to third parties.**
- **Transactions from a Money Market Choice Checking account to another account or to third parties by preauthorized, automatic, telephone, or computer transfer or by check, draft, or similar order to third parties are limited to six per statement cycle.**

**FEES**

- **We do not charge for direct deposits to any type of account.**
- **We do not charge for preauthorized payments from any type of account.**

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

**ATM Operator/Network 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).

**DOCUMENTATION**

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not receive a receipt if the amount of the transaction is $15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send you the money.
- **Periodic statements.** You will get a monthly account statement from us for your checking and statement savings accounts.
For passbook accounts, if the only possible electronic transfers to or from your account are preauthorized credits, we do not send periodic statements. You may bring your passbook to us and we will record any electronic deposits that were made since the last time you brought in your passbook.

PREAUTHORIZED PAYMENTS

- Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

  Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we can also require you to put your request in writing and get it to us within 14 days after you call.

  We will charge you $30.00 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, 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 transfer. If you order us to stop one of these payments 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.

FINANCIAL INSTITUTION’S LIABILITY

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:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash.
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
6. There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

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

1. Where it is necessary for completing transfers; or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. In order to comply with government agency or court orders; or
4. As explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.
   
   - Generally. Tell us AT ONCE if you believe your card and/or code 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 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than $50 if someone used your card and/or code without your permission.

   If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as $500.

   Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 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, if circumstances beyond our control (such as fire or flood) prevented us from telephoning you, we will extend the time periods.

   - Additional Limit on Liability for Visa Debit Card. Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa Debit Card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by VISA®. Visa is a registered trademark of Visa International Service Corporation.

   (b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, 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 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. 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.
3. 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 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for Visa Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Visa Debit Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) if, after investigating, we find that a mistake was made in your favor and that, on balance, 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 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

We will tell you the results within three 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.

SAVINGS BANK OF DANBURY
OPERATIONS DEPARTMENT
35 WEST STREET
DANBURY, CT 06810
Business Days: Monday through Friday
Excluding Federal Holidays
Phone: (203) 830-4390
1-844-SBD-BANK (723-2265)
MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don’t leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements or account histories that you receive.
4. Don’t lend your debit card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your debit card as though it were cash. Don’t tell anyone your PIN. Don’t give anyone information regarding your debit card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don’t write your PIN where it can be discovered. For example, don’t keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your debit card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don’t accept assistance from anyone you don’t know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don’t display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver’s window. Keep the engine running and remain alert to your surroundings.

14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all deposit accounts.

Our policy is to make funds from your check deposits available to you on the second business day after the day we receive your deposit, with the first $200 available on the first business day after the day of your deposit. Electronic direct deposits will be available on the day we receive the deposit. Cash, wire transfers, and some specified check deposits will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit on a Saturday, Sunday or a federal holiday, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 2:00 P.M. (cutoff times may be later on some days or at some locations) on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 2:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Same-Day Availability

Funds from cash, wire transfers, electronic direct deposits and checks drawn on Savings Bank of Danbury made payable to you, will be made available on the day we receive the deposit.

 Receivers of ACH transactions should be aware that their Receiving Depository Financial Institution may, from time to time, need to temporarily suspend processing of a transaction for greater scrutiny or verification against the Specialy Designated Nationals list, and that this action may affect settlement and/or availability.

Next-Day Availability

Funds from the following deposits will be made available on the first business day after the day of your deposit:

• Checks drawn on Savings Bank of Danbury not made payable to you.
• U.S. Treasury checks made payable to you.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

• State and local government checks that are payable to you.
• Cashier’s, certified, and teller’s checks that are made payable to you.
• Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are made payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits may be available on the second business day after the day we receive your deposit.

Other Check Deposits Subject to Second-Day Availability

The first $200 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of $700 on a Monday, $200 of the deposit is available on Tuesday. The remaining $500 is available on Wednesday.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid. You deposit checks totaling more than $5,000 on any one day. You redeposit a check that has been returned unpaid. You have overdrawn your account repeatedly in the last six months. There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first $5,000 of a day’s total deposits of cashier’s, certified, teller’s, traveler’s, and federal, state and local government checks will be available on the first business day after the day of your deposit, if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over $5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the fifth business day after the day of your deposit.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our customer we think it’s important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights. So that you will recognize substitute checks when you receive them, we have included a copy of the front side of a substitute check along with an explanation of the substitute check’s components.

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

Savings Bank of Danbury
Operations Dept.
35 West St.
Danbury, CT 06810

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if we were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

• A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
• An estimate of the amount of your loss;
• An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
• A copy of the substitute check or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check.
SUBSTITUTE CHECK IMAGE

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.

1. An image of the original check appears in the upper right-hand corner of the substitute check.
2. A substitute check is the same size as a standard business check.
3. The information in asterisks relates to the “reconverting bank”—the financial institution that created the substitute check.
4. The information in brackets (appears sideways facing check image) relates to the “truncating bank”—the financial institution that took the original check out of the check processing system.
5. The Legal Legend states: This is a LEGAL COPY of your check. You can use it the same way you would use the original check.
6. The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the “4” at the beginning of the MICR line on the substitute check, which indicates that it is a substitute check being moved forward for collection purposes. It is also possible for the MICR line on the substitute check to begin with a “5” if the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.

Visit our website at www.SBDanbury.com to find the branch location closest to you.

Main Office: 203-830-4390
1-844-SBD-BANK (723-2265)

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