



Notice of Change to MasterCard Rules for Cardholder Liability for Unauthorized Transfers

MasterCard has announced changes to its rules limiting cardholder liability for unauthorized transfers. The MasterCard limitations on liability for unauthorized transfers are in addition to limitations on liability established by federal law. **The MasterCard changes become effective on October 17, 2014.**

As a result of these changes:

- The MasterCard limitations will apply to all transactions conducted with a MasterCard branded card, including PIN-based transactions **Note:** PIN-based transactions are not covered by the current rule.
- It is no longer a condition for \$0 liability that you have not reported two or more incidents of unauthorized use in the preceding twelve months or that the account to which the unauthorized transaction is posted is in good standing.
- You must promptly notify us upon becoming aware of a loss or theft as a condition for \$0 liability
- If you do not exercise reasonable care to safeguard your card from the risk of loss or theft or you do not promptly notify us of a loss or theft, the MasterCard limitations on liability will not apply - limitations established by law may still apply **Note:** the MasterCard \$50 liability limit that currently applies if the conditions for \$0 liability are not met is eliminated by these rule changes.
- The MasterCard rule that defines "unauthorized use" has been removed. **Note:** "Unauthorized transfer" is defined by federal law to be: an electronic fund transfer from a consumer's account initiated by a person other than the consumer without actual authority to initiate the transfer and from which the consumer receives no benefit. The term does not include an electronic fund transfer initiated:
 1. By a person who was furnished the access device to the consumer's account by the consumer, unless the consumer has notified the financial institution that transfers by that person are no longer authorized;
 2. With fraudulent intent by the consumer or any person acting in concert with the consumer; or
 3. By the financial institution or its employee.

For your convenience, the following is an updated disclosure of the limitations established by law and by MasterCard that will be effective on October 17, 2014.

CONSUMER LIABILITY. Tell us at once if you believe your ATM Card or Debit Card or PIN or internet banking access 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. If you tell us within two (2) business days after you learn of the loss or theft of your ATM Card or Debit Card or PIN, you can lose no more than fifty dollars (\$50) if someone used your ATM Card or Debit Card or PIN without your permission. If you do not tell us within two (2) business days after you learn of the loss or theft of your ATM Card or Debit Card or PIN and we can prove we could have stopped someone from using your ATM Card or Debit Card or PIN without your permission if you had given us notice, you can lose as much as five hundred dollars (\$500).

Also, if your statement shows transfers you did not make, including those made by card, code, or other means, tell us at once. If you do not tell us within sixty (60) days after the statement was transmitted to you, you may not receive back any money you lost after the sixty (60) days, and therefore, you could lose all the money in your account (plus your maximum overdraft line of credit, if applicable), if we can prove that we could have stopped someone from taking the money had you given us notice in time. If a good reason (such as a long trip or hospital stay) keeps you from giving the notice, we will extend the time periods.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARD. The limitations on your liability for unauthorized transactions described above generally apply to all electronic fund transfers. However, different limitations apply to certain transactions involving your card with the MasterCard® logo. These limits apply to unauthorized transactions processed on the MasterCard® Network.

If you promptly notify us about an unauthorized transaction involving your card and the unauthorized transaction took place on your MasterCard® branded card, including any PIN-based ATM or POS transactions, zero liability will be imposed on you for the unauthorized transaction. In order to qualify for the zero liability protection, you must have exercised reasonable care in safeguarding your card from the risk of loss or theft and, upon becoming aware of such loss or theft, promptly reported the loss or theft to us. For commercial accounts, zero liability protection will only apply to transactions conducted with a card issued for a commercial purpose under a "small business" program as described on www.mastercardbusiness.com (information found under "Small Business", then select the "Products" tab).