

September 29, 2014

The Honorable Janet L. Yellen, Chairwoman
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave., NW
Washington DC 20551

The Honorable Richard Cordray, Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

The Honorable Tom Curry, Comptroller
Office of the Comptroller of the Currency
250 E Street SW
Washington, DC 20219

The Honorable Martin Gruenberg, Chairman
Federal Deposit Insurance Corporation
550 17th Street Northwest
Washington, DC 20429

The Honorable Debbie Matz, Chairwoman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Jan Estep, President and Chief Executive Officer
NACHA — The Electronic Payments Association
13450 Sunrise Valley Drive, Suite 100
Herndon, VA 20171

Re: RDFIs' responsibilities to consumers regarding stop-payment orders, unauthorized charges, related fees, and orders to close accounts

Dear Chairwoman Yellen, Director Cordray, Comptroller Curry, Chairman Gruenberg, Chairwoman Matz and President Estep:

The undersigned groups write to ask you to take steps to address systematic problems that consumers have with their financial institutions when the consumer attempts to stop preauthorized and other payments, to prevent or reverse unlawful or unauthorized charges, or to close their account. These problems often arise in the context of preauthorized payments for payday loans or for goods or services that require recurring payments, such as gym memberships or online clubs. People have often found that their financial institution fails to honor requests to stop payment of recurring payments; has inadequate systems for implementing stop-payment

orders and preventing evasions of those orders; charges inappropriate or multiple fees; and refuses to permit consumers to close their accounts.

We recognize that many of these problems begin with problematic origination practices by payees, and also with insufficient monitoring by payment processors and originating depository financial institutions (ODFIs). We appreciate the efforts that your agencies have undertaken to address origination issues and urge you to bolster those efforts.¹

But we also believe that receiving depository financial institutions (RDFIs) can, and legally must, do more to help people control the security of their deposit accounts. RDFIs also can and should do more to assist ODFIs and regulators in addressing inappropriate origination practices.

The Problems

Our organizations have done extensive work to protect people from predatory lending by payday lenders, and it is in this context that we have seen many of the problems. But the practices that we describe have also harmed people in many other situations.

Payday Loans: Background

Payday loans are extremely costly loans carrying huge fees that translate into triple-digit APRs, typically in the 400%-800% range. Fifteen states have banned all payday lending.² Several others regulate the terms of payday loans, and others permit only storefront payday lending and ban internet loans. Nearly every state, even if it permits both storefront and internet payday lending, requires that nonbank lenders carry state licenses.

As scrutiny of payday loans increases, many payday lenders are starting to offer longer term installment loans. These loans also come with high rates and insufficient underwriting for ability to pay. Some are not amortizing, with initial periodic interest-only payments that do not reduce the amount owed. Borrowers may not realize that, despite their payments, they are not making progress on repaying their loans. These loans rely on similar repayment mechanisms and have similar problems.

Internet lenders, which would find it difficult to accept a traditional paper check, typically instruct the borrower to provide the name of her financial institution, her account number, and an “ACH authorization,” which authorizes the lender to deposit the loan funds into and debit its fees from the borrower’s account via the automated clearing house (ACH) system. The payday lender deposits the loan funds into the borrower’s account by initiating an ACH credit entry via its financial institution, the ODFI. (Many internet payday lenders initiate ACH entries indirectly, through third-party payment processors.) The RDFI then directs the loan funds to the borrower’s account. At the end of the loan term, the payday lender initiates an ACH debit entry, again via

¹ Our October 24, 2013 letter urging you to continue and to step up this work is available at http://www.nclc.org/images/pdf/high_cost_small_loans/payday_loans/letter_bankinregulators_paymentprocessing.pdf.

² A state-by-state summary of the laws governing payday loans is available at Consumer Federation of America’s website www.paydayloaninfor.org, and more details are discussed in National Consumer Law Center, Consumer Credit Regulation § 9.3 (2013 & Supp.).

the ODFI, upon which the RDFI debits the lender's fees from the borrower's account and forwards the funds to the ODFI.

Alternatively, or as a backup mechanism in the event that the person revokes the ACH authorization, internet payday lenders often include in the fine print of their contracts purported authorization to create a remotely created check (RCC) or remotely created payment order (RCPO).³ The Federal Trade Commission has proposed banning RCCs and RCPOs in transactions covered by the Telemarketing Sales Rule, but the FTC's TSR authority does not extend to purely internet transactions. We have urged the Federal Reserve Board to completely ban RCCs and RCPOs in consumer transactions.⁴ Still others process payments through debit card networks, a practice currently under investigation by the New York Attorney General, VISA and MasterCard.⁵

People who take out internet payday loans may believe that they have authorized only a single debit to repay the loan in full. However, automatic loan renewals may be built into the fine print terms of the loan agreement.

As a result, payday loan borrowers may be hit with numerous unexpected, ongoing debits against their account.⁶ Besides being deceptive, these automatic renewals may violate the Electronic Fund Transfer Act's ban on requiring repayment of a loan by preauthorized electronic fund transfers.⁷

Many payday loan borrowers live paycheck to paycheck, and often do not have enough funds in their accounts to cover the payday lenders' exorbitant fees. Payday lenders do little to no underwriting to determine a borrower's ability to repay, and rely on being able to collect on the loan through the payment mechanism.

RDFI Problems Presented by Payday Loans

Consumers face several difficulties with their financial institutions when they find themselves caught in the trap of a payday loan.

³ RCPOs are similar to RCCs but they never existed in paper form and are processed from the beginning as an electronic image file. Storefront payday lenders typically start with a traditional post-dated paper check. But they too may include authorization for an ACH, RCC and/or RCPO in the fine print of their contracts if the borrower stops payment on the first check.

⁴ We made this request in a December 13, 2013 comment letter in the Regulation CC docket. The comments are available at http://www.nclc.org/images/pdf/high_cost_small_loans/payday_loans/rcc-fed-comments12132013.pdf.

⁵ See Rachel Abrams, "New York State Makes New Efforts to Combat Payday Lenders," New York Times (April 29, 2014).

⁶ A good description of the deception and problems cause by such renewals in contained in Complaint, Four Oaks Fincorp, Inc. and Four Oaks Bank & Trust, No. 5:14-cv-00014-BO, (E.D. N.C. Jan. 8, 2014), available at <http://www.courthousenews.com/2014/01/09/USvFourOaks.pdf>.

⁷ 15 U.S.C. §1639k.

Overdraft and NSF Fees

Typically, if the borrower's account lacks the funds to cover a payment, the RDFI either debits the account anyway, causing an overdraft in that amount, or rejects the item. The RDFI then charges the borrower either an overdraft fee or a nonsufficient funds (NSF) fee.⁸

If the item is returned unpaid, the payday lender may resubmit the request again and again, triggering a returned item fee each time. The resulting cascade of RDFI fees quickly creates a high negative balance on the borrower's account. Even if the payday lender complies with NACHA reinitiation limits governing ACH debits and submits the payment three times in total, the consumer can still suffer over \$100 in NSF fees for a single item. For checks, some state payday laws may limit the number of NSF fees that can be charged but not the number of NSF fees that the bank may charge if a check is presented multiple times. The UCC has no specific limits on the number of times a check may be re-presented, and NSF fees can balloon completely out of control. Payday lenders may also not respect NACHA or state law limits.

Stop-Payment Orders

People often seek to stop payment of a check, RCC, RCPO or ACH debit for one or both of the following reasons. First, the consumer may lack the funds to repay the loan and wish to exercise his right to stop payment in order to avoid overdraft or NSF fees. Second, the loan may be illegal or fraudulent – i.e., because its terms violate state law, the lender is unlicensed, or the consumer did not knowingly authorize recurring debits.

Financial institutions have generally adequate systems for stopping traditional paper checks. But people often have an extremely difficult time stopping ACH transactions, RCCs or RCPOs. The common payday lender practice of taking more than one type of authorization means that consumers wishing to stop future debits may need to do so multiple times via multiple avenues – assuming that the consumer even understands the various means that the lender may use to debit the account.

Advocates around the country routinely hear from people whose financial institution refused their repeated requests to stop recurring payments to payday lenders. The financial institution often claims that there is nothing it can do to stop the debits or that the consumer is required to stop the payment by going through the lender and revoking authorization for the debit. While Regulation E permits financial institutions to require written confirmation from the customer that authorization has been revoked, the law is clear that the financial institution must enter the initial stop-payment order based on an oral request.⁹ Regulation E rights may not be waived by a contrary procedure in the account agreement.¹⁰

⁸ We are using the term “overdraft fee” to refer to a fee charged when an item is paid but causes an overdraft, and the term “NSF fee” or “returned item fee” to refer to a fee charged when an item is rejected due to insufficient funds. The precise labels that RDFIs put on those fees, however, vary.

⁹ Reg. E, 12 C.F.R. § 1005.10(c)(1),(2).

¹⁰ 15 U.S.C. § 1683l; *Baldukas v. B & R Check Holders, Inc.*, 2012 WL 7681733, at *5 (D. Colo. Oct. 2, 2012), adopted by 2013 WL 950847 (D. Colo. Mar. 8, 2013) (“The plaintiff would breach the Authorization Agreement if she attempted to stop payment of the preauthorized loan payments other than in writing and ten days in advance, whether or not her financial institution honored the notice. In this way, the Authorization Agreement causes the

Some RDFIs tell people that they must make a separate stop-payment request for each of the lenders' preauthorized debits. Or the RDFI may enter a stop-payment order for only a single item, which is ineffective against future payments.

People also have been told that they must provide the exact amount of the lender's debit request in their stop-payment request, and that if the amounts differ by even a dollar, the financial institution cannot stop payment. Yet in the case of a preauthorized ACH or a remotely created check, a consumer who does not understand the automatic rollover feature on the loan may not know how much the next payment will be. In addition, if the person stops payment of a renewal fee for a payday loan, the loan agreement often gives the lender the right to initiate a debit for the entire principal, but the borrower may not know that the larger debit is coming.

Some payday loan contracts authorize the lender to initiate one or more withdrawals from the borrower's account, which can result in multiple withdrawals in varying amounts for a single loan payment, making it impossible for the borrower to identify the exact dollar amount of a given withdrawal. Even when the consumer knows the expected payment amount, payday lenders have been known to manipulate the amount of a payment in order to evade a stop payment order. They may add or subtract a few cents from the payment, or split the payment into multiple, smaller payments.¹¹ For example, this story was posted on the internet:

[The internet payday lender] wouldn't stop taking payments on their end even after I asked them to stop. So I had to do a stop payment at my bank. However even after I did the stop payment, they withdrew money from my checking account by making the amount they were withdrawing 2 cents less than the stop payment amount which was a red flag there.¹²

Payday lenders may also change the form of a payment to evade stop-payment orders. If a person identifies a payment as an ACH payment and the RDFI institutes an ACH stop-payment order, the lender may instead process the payment as an RCC or RCPO. The person has no idea what the check number is, or even that the check has been generated. The RDFI's systems for stopping payment of check items and ACH items may not be linked.

Stop-Payment Fees

RDFIs impose high stop-payment fees that frustrate people's right to stop payment. High fees weaken the effectiveness of a stop-payment order if the fee is a substantial percentage of the payment that the consumer is trying to stop. For example, a consumer might have to pay a stop payment fee as high as \$35 to stop a \$50 payday loan renewal fee.

plaintiff to waive her rights to the stop payment provisions of the EFTA.''); National Consumer Law Center, Consumer Banking and Payments Law § 5.1.2a (Supp. 2014 forthcoming).

¹¹Payday lenders may themselves be violating the UCC, the EFTA or NACHA rules with these manipulations. However, we limit this letter to the responsibilities of RDFIs. Indeed, if the manipulations violate those rules, then the payments are likely unauthorized and trigger UCC and EFTA obligations to reverse unauthorized payments.

¹² <http://www.stop payday predators.org/Personal%20victim%20stories.html>.

As noted above, some financial institutions require consumers to place a series of orders to stop recurring payments. Each of those orders can incur a separate stop-payment fee.

Fees Related to Unauthorized Charges

In many cases, consumers are incurring stop payment, NSF or overdraft fees as a result of debits – or attempted debits – that are illegal or otherwise unauthorized. Online payday lenders may have violated Regulation E by conditioning credit on preauthorized electronic fund transfers, or may not have obtained clear and readily understandable authorization for recurring debits. Payday lenders also debit accounts in states where the loans are illegal or unlicensed and any purported authorization is thus void.

Unauthorized charges should be blocked or reversed without charge. But if a consumer is attempting to block future unauthorized charges as opposed to reversing one that already occurred, financial institutions often charge stop-payment fees. Consumers also may not know to contest the payments as unauthorized and may simply ask that the payments be stopped. Even if the consumer says that the payment is illegal and unauthorized, the bank may still charge a stop-payment fee.

Inability to Reverse Unauthorized Charges

Consumers often have difficulty reversing unauthorized charges. Recent cases brought by the FTC and the CFPB showed that banks were unwilling to take the consumer's word that a payday loan payment was unauthorized, even in circumstances where the consumer had never agreed to a loan or had any direct dealings with the phony lender.¹³ We are aware of other cases in which the bank refused to respond to an account holder's assertion that a claim was unauthorized, resulting in serious harm.¹⁴

In other cases, even if the consumer purported to authorize the charge, that authorization may be invalid, either because the loan is illegal or because the lender violated Regulation E by requiring preauthorized payments as a condition of the loans. But banks may refuse to reverse the payment.

When consumers cannot stop or reverse unauthorized payments, they may be forced to close their accounts.¹⁵ But, as discussed below, that may be difficult as well.

¹³ Complaint for Permanent Injunction and Other Relief ¶¶ 33, 34, 46, CFPB v. Moseley et al., No. 4:14-cv-00789-DW (W.D. Mo. Sept. 9, 2014), available at <http://www.courthousenews.com/2014/09/17/CFPB1.pdf>; Complaint for Permanent Injunction and Other Equitable Relief ¶¶ 34-36, FTC v. CWB Serv. LLC, et al., No. 4:14-cv-00783-DW (W.D. Mo. Sept. 5, 2014), available at <http://www.ftc.gov/system/files/documents/cases/140917cwbcmt.pdf>.

¹⁴ In one case, the bank refused to investigate or recredit \$1,000 in erroneous FedEx charges for an unrelated business with a similar FedEx account number. FedEx eventually corrected the problem, but the time delay left the account holder unable to pay an employee or professional liability insurance. Although this case involved a small business, not a consumer, we assume that the bank had similar policies for both and we have heard other stories of banks being unresponsive to consumer demands.

¹⁵ See *id.*

Attempts to Close the Account

Because of the lack of cooperation by many RDFIs and the creativity of payday lenders in evading stop-payment orders, our organizations often advise people to simply close their account if the account has been overtaken by a lender. Sometimes this is effective, but other times the RDFI refuses, on the ground that there are transactions pending or the account is overdrawn and must be brought positive before it can be closed. Meanwhile, the RDFI may allow the payday lenders to continue submitting repeated debit requests, charging the account holder hundreds, and sometimes thousands, of dollars in overdraft and NSF fees.

Even after a consumer successfully closes the account, in some cases the RDFI will do a “soft close,” which permits the account to be re-opened to process an incoming debit. Some RDFIs have then pursued consumers not only for the negative balance but for overdraft fees that were also charged to the account.

Insufficient Attention to Problematic Originators

Illegal online payday lenders continue to debit people’s accounts even when the lenders’ unlawful practices should have placed them on watch lists maintained to prevent inappropriate origination practices. While ODFIs are in the best position to monitor patterns of misuse of ACH debits, RCCs and RCPOs, RDFIs also have a role to play in flagging problematic originators when the ODFI has not done so. We recognize that progress has been made in stopping some entities from originating unlawful payments. But problems persist.

Summary

In summary, we see consumers facing difficulties with RDFIs that:

- Refuse to stop payment of preauthorized payments.
- Fail to effectively stop items that lack a check number or precise amount.
- Do not have systems in place to enable a consumer to stop a payment that changes form, from a check item to an ACH entry or vice versa, or where the payee has manipulated the amount to evade a stop-payment order.
- Charge multiple NSF fees for the same item.
- Charge high stop-payment fees that effectively eliminate or frustrate the right to stop payment of smaller payments.
- Require multiple stop-payment fees or repeat stop-payment orders to stop a series of preauthorized payments from the same entity.
- Charge stop-payment fees even to prevent payment of items that are unauthorized.
- Refuse to comply with an account holder’s directive to close an account if the balance is negative, or if debits or credits are pending.

Some of these problems stem from failure to following existing rules, improper training or inadequate systems to implement basic consumer protection rights. Others are a result of older systems and insufficient clarity in rules that have failed to keep pace with new payment developments and the creativity of scammers.

Example: Baptiste v. Chase

The problems that consumers face when they ask their financial institution for help with stopping payments and closing an account are profoundly illustrated in a 2012 federal lawsuit brought by New Economy Project against JPMorgan Chase Bank on behalf of two low-income women in New York, Sabrina Baptiste and Ivy Brodsky.¹⁶ Internet lenders had made payday loans to both women and then repeatedly debited their bank accounts, draining them of funds. Chase has since agreed to make changes to its practices, but we have seen examples of very similar problems at other financial institutions.

Despite the fact that it is illegal to extend payday loans to New York residents, Chase refused the women's repeated requests to stop the lenders from debiting their accounts, and then charged them repeated overdraft or returned item fees. Chase also refused their requests to close their accounts, claiming that it could not close the accounts if transactions were pending or if the accounts carried a negative balance.

In Ms. Baptiste's case, Chase charged her more than \$800 in overdraft fees and illegally seized more than \$600 in child support benefits belonging to her minor child to cover the fees. In Ms. Brodsky's case, Chase charged her more than \$1,500 in overdraft and returned item fees after it permitted internet payday lenders to attempt to debit her account 55 times over a two-month period.

Only after it had allowed huge overdraft fees to accumulate did Chase finally close the women's accounts. Chase then attempted to collect the overdraft fees, and reported both women to ChexSystems.

Ms. Baptiste and Ms. Brodsky eventually sued Chase. As discussed below, a settlement was reached, in conjunction with which Chase agreed to make substantial changes to its policies. However, the problems go beyond Chase, and we have seen similar problems involving other financial institutions.

Examples beyond Payday Loans

Consumers have similar difficulties with their RDFIs when businesses other than payday lenders are involved. A growing number of businesses either require consumers to preauthorize recurring payments or hide authorization for recurring payments or add-on products in the fine print that consumers may not notice. Stopping these payments can be difficult even if the original payment was fully authorized for a legitimate service.

The FTC has brought a number of cases against online merchants that deceptively enroll consumers in membership clubs and other add-on services:

¹⁶ Baptiste v. JPMorgan Chase Bank, N.A., No. 12-cv-04889 (E.D.N.Y. filed Oct. 1, 2012).

- FTN Promotions, Inc., which did business as Suntasia Inc., and several other entities, debited consumers' bank accounts for tens of millions of dollars for fees for membership clubs that consumers did not knowingly authorize.¹⁷
- Elite Debit, Inc. and scores of other companies doing business under the IWorks name charged consumers more than \$275 million for "trial" memberships for bogus government-grant and money-making schemes.

We have heard reports of consumers who have difficulty in stopping preauthorized payments in various contexts, including gyms, online games, and other goods and services. These two reports came from separate legal services programs:

- From Florida: "We have just had a call from a disabled senior who signed up for Direct TV in the course of an unsolicited home visit (lots of pressure – installation the same day, etc.). When she called to cancel, she was advised of the cancellation fee (\$450) which Direct TV planned to debit from her checking account. Her only source of income is SSI."
- From Massachusetts: "The client purchased a pair of hearing aids over a year ago for \$6,000 – more than she could really afford, but they were not covered by her health insurance and she felt desperate for a remedy. The company – Miracle Ear – took payment by deducting \$100 a month directly from the client's bank account. The hearing aids have never worked effectively ... After dealing with this for about a year, the client got a second opinion from an ear specialist, who said that her hearing loss was too severe to be effectively remedied by the product she was sold. She sought to return the original hearing aids, but was told she could not do so ... Miracle Ear is still deducting the monthly \$100 fee from the client's bank. The client is on a limited income; she receives only Social Security Disability."

In some of these situations, the consumer has difficulty stopping an ongoing payment. In others, the consumer is surprised when a cancellation fee or other out-of-the ordinary charge is deducted from the account based on authorization in the fine print. Consumers typically do not know how to challenge these charges as unauthorized.

Legal Obligations of RDFIs

Several laws govern the RDFIs' responsibilities regarding consumers' payments. Some of these laws are clear but are not being followed. In other situations, RDFIs could benefit from more detailed rules or guidance to ensure that consumers' rights and the sanctity of their accounts are protected.

¹⁷ Complaint for Injunctive and Other Equitable Relief, *FTC v. FTN Promotions, Inc., et al.*, No. 8:07-cv-1279-T-30TGW (M.D. Fla. July 25, 2007), available at <http://www.ftc.gov/os/caselist/0623162/>. Despite consent decrees reached in 2008 and 2009, problems persisted, and in 2013 the FTC was forced to file a contempt motion. *See* Plaintiff Federal Trade Commission's Motion for an Order to Show Cause Why Bryon Wolf, Roy Eliasson, and Membership Services, LLC, Should Not Be Held in Civil Contempt for Violating This Court's Permanent Injunction, *FTC v. Bryon Wolf, Roy Eliasson, and Membership Services, LLC*, No. 8:07-1279-JSM-TGW (M.D. Fla. May 21, 2013), available at <http://www.ftc.gov/os/caselist/0623162/>.

The UCC gives consumers the right to stop payment of checks for any reason or no reason at all.¹⁸ That right applies to remotely created checks.¹⁹ To stop a payment, the consumer must identify the check with “reasonable certainty.”²⁰ But if the RDFI requires more information than the consumer has supplied, it must notify the consumer.²¹

There are no specific limits in the UCC for the number of times a check (or remotely created check) can be re-presented against a consumer’s account, but it should be viewed as unfair to charge multiple NSF fees for a single item when the consumer has no control over how many times it is submitted. If the consumer’s purported authorization of an RCC is part of an illegal contract or is otherwise invalid, or if the consumer has revoked authorization, any subsequent RCC is essentially a forged check, is not properly payable, and must be re-credited by the financial institution.²²

The Electronic Fund Transfer Act (EFTA) gives consumers the right to stop payment of preauthorized electronic fund transfers (PEFTs).²³ PEFTs are defined as electronic fund transfers (EFTs) that recur at substantially regular intervals.²⁴ The EFTA right does not directly apply to single-payment debits that do not recur. But both courts and the FTC have found that a series of rollover payments on single payment loans can fit that definition.²⁵

NACHA rules require RDFIs to stop payment not only of recurring ACH transactions but also of most single-entry ACH transactions if the consumer gives the RDFI sufficient notice.²⁶ NACHA rules are typically incorporated into account agreements and thus become a contract law obligation.²⁷ Whether or not specifically incorporated, compliance with NACHA rules when handling ACH transactions should also be deemed covered by the implied covenant of good faith and fair dealing. Noncompliance would be an unfair, deceptive and abusive practice.

¹⁸ U.C.C. § 4-403(a).

¹⁹ A remotely created check is covered by the U.C.C. just as traditional checks are. The UCC definition of “signature” is quite broad and includes the authorized signature of an agent. U.C.C. § 3-402(a); National Consumer Law Center, Consumer Banking and Payments Law § 3.13.2.1 (5th ed. 2013 & Supp.).

²⁰ U.C.C. § 4-403(c).

²¹ See National Consumer Law Center, Consumer Bankruptcy Law and Practice § 3.7.2.4 (10th ed. 2013 and Supp.) (discussing cases).

²² See National Consumer Law Center, Consumer Bankruptcy Law and Practice § 3.13.2.1 (10th ed. 2013 and Supp.).

²³ 15 U.S.C. § 1693e(a).

²⁴ 15 U.S.C. § 1693a(1).

²⁵ See, e.g., *Mitchem v. GFG Loan Co.*, 2000 WL 294119 (N.D. Ill. Mar. 17, 2000); NCLC, Consumer Bankruptcy Law and Practice § 5.8.1 (10th ed. 2013 and Supp.) (citing cases); Plaintiff’s Memorandum of Points and Authorities In Support Of Motion for Preliminary Injunction and Other Equitable Relief, *FTC v. AMG Svcs. et al.*, No. 2:12-cv-536 (D. Nev. Apr. 2, 2012), available at <http://www.ftc.gov/sites/default/files/documents/cases/2012/04/120402amgmemo.pdf>.

²⁶ 2014 NACHA Operating Rules § 3.7.1; NCLC, Consumer Banking and Payments Law § 5.3.7.2.2 (Supp. 2014 forthcoming).

²⁷ *Sec. First Network Bank v. C.A.P.S., Inc.* 2002 WL 485352 (N.D. Ill. Mar. 29, 2002); NCLC, Consumer Banking and Payments Law § 5.15.6 (Supp. 2014 forthcoming).

Upon receipt of a stop-payment order for a recurring transaction, Regulation E (as well as NACHA rules) requires that the financial institution “block all future payments for the particular debit.”²⁸ The institution may not wait for the payee to terminate its automatic debits.²⁹

Under both Regulation E and NACHA rules, a consumer may initiate a stop-payment order by an oral request.³⁰ The RDFI may ask the consumer to follow up with a written request and to confirm that the consumer has revoked the payee’s authorization.³¹ The initial stop-payment order may expire in 14 days if the consumer does not follow up with the requested information. But the RDFI may not refuse to honor the initial oral stop-payment order pending receipt of that information. Indeed, the requirement that financial institutions stop payments would be superfluous if consumers could, or were required to, effectively stop payments with the payee directly.

The UCC, EFTA and NACHA rules do not specifically address stop-payment fees. But fees that are so high as to inhibit the right to stop payment should be viewed as violating that right. Such fees are also potentially unfair, deceptive or abusive.

NACHA rules prohibit RDFIs from initiating an ACH transaction after the consumer has instituted a stop-payment order governing either the ACH transaction or a check on which it is based.³² Thus, any subsequent attempted ACH debits are unauthorized and should be subject to the EFTA’s error resolution and unauthorized transaction provisions.

If the payee instead creates an RCC after the consumer revokes authorization for an ACH debit, the UCC does not specifically address this situation. But the resulting RCC should be viewed as unauthorized or unfair, deceptive or abusive just as it would be in the reverse situation.

If a payee alters the amount of a payment in an attempt to evade a stop-payment order, the new payment should also be considered unauthorized. An ACH transaction that is processed for a different amount from that authorized by the consumer, especially if it evades a stop-payment order, should be deemed a violation of both Regulation E and NACHA authorization requirements and should be viewed as an unauthorized charge.³³ A remotely created check that is processed in a different amount in order to evade a stop-payment order may also be subject to Regulation E,³⁴ or it could also be treated as a forged check or, less likely, as an altered check.³⁵

²⁸ Official Interpretations of Reg. E., 12 C.F.R. pt. 1005, § 1005.10(c), cmt 1.

²⁹ *Id.* cmt. 2.

³⁰ Reg. E, 12 C.F.R. § 1005.10(c)(1),(2); 2014 NACHA Operating Rules § 3.7.1.2.

³¹ Reg. E, 12 C.F.R. § 1005.10(c)(2); Official Interpretations of Reg. E, 12 C.F.R. pt. 1005, § 1005(1)(c), cmt. 2.

³² 2014 NACHA Operating Guidelines § III, ch. 26 at OG103; 2014 NACHA Operating Rules §§ 3.7.1.1, 3.7.1.2.

³³ NACHA, High-Risk Originators and Questionable Debit Activity at 4, ACH Operations Bulletin #2-2013 (Mar. 14, 2013), available at www.nacha.org/OpsBulletins (citing NACHA Operating Rules § 2.12.4).

³⁴ As discussed below, RCCs should be banned in consumer transactions, and until then, should be clearly subject to Regulation E.

³⁵ NCLC, Consumer Banking and Payments Law §§ 3.7.2.10, 3.13.2.1 (5th ed. 2013 & Supp.). Although altered checks are normally properly payable on their original terms, if the original check is subject to a stop payment order, then so should be an altered check.

If a purported authorization for an ACH payment is invalid, then the payment is unauthorized.³⁶ As long as challenged within 60 days, the payment – and any associated overdraft or NSF fees – should be reversed without charge under the Regulation E error resolution rules.

Under the UCC, a customer may “close the account by an order to the bank”³⁷ The official comment elaborates that “stopping payment or closing an account is a service which depositors expect and are entitled to receive from banks notwithstanding its difficulty, inconvenience and expense. The inevitable occasional losses through failure to stop or close should be borne by the banks as a cost of the business of banking.”³⁸ An order to close an account is effectively an order not to honor subsequent items, and future checks should not be properly payable.³⁹

Recommendations

A Starting Point: The Baptiste v. Chase Settlement

In March 2013, after coverage in *The New York Times* of Chase’s and other major banks’ facilitation of internet payday loans, including in states where they are illegal, Chase announced some changes in policy. For instance, Chase announced that it would charge only one returned-item fee for any item returned more than once in a 30-day period, even if a payday lender or other payee presented the same item multiple times because the customer’s account lacked sufficient funds. Chase said that it would also make it easier for its customers to close their bank accounts even if there were pending charges, provide further training to its employees on its existing stop payment policy, and report potential misuse of the ACH network to the NACHA.

In June 2013, New Economy Project reached a settlement of its lawsuit against Chase. In conjunction with the settlement, Chase provided a letter to New Economy Project outlining additional changes that it was or would be making. Most significantly, Chase affirmed that accountholders have the right to stop all payments to payday lenders and other payees via a single stop payment request, and outlined the procedures it had implemented to make it easier for accountholders to do so. (See copy of letter, attached hereto as Exhibit A.) Chase also stated that later that year, it expected “to implement technology allowing consumers to initiate account closing and restrict future transactions...even if the account has a negative balance or pending transactions” and that it “will not charge Returned Item, Insufficient Fund, or Extended Overdraft fees to an account once account closing has been initiated.” (See Ex. A.)

In late 2013, Chase revised its standard disclosures to reflect some aspects of the changes outlined in its June 2013 letter. For example, Chase now advises accountholders that they may instruct Chase to block all payments to a particular payee, and that they may restrict their accounts against all future withdrawals, even if transactions are pending or the account is overdrawn. (See copy of Chase’s deposit account agreement notices, attached hereto as Exhibit B.)

³⁶ If “a purported authorization is invalid under applicable law, it does not meet [the Regulation E and NACHA clear and readily understandable] standard.” NACHA, High-Risk Originators and Questionable Debit Activity at 2, ACH Operations Bulletin #2-2013 (Mar. 14, 2013), available at www.nacha.org/OpsBulletins.

³⁷ U.C.C. § 4-403(a).

³⁸ U.C.C. § 4-403(a), cmt. 1.

³⁹ See National Consumer Law Center, Consumer Bankruptcy Law and Practice § 2.7.2 (10th ed. 2013 and Supp.).

Changes Directed at RDFIs

Chase's example, though incomplete, provides a useful starting point for practice changes that regulators should require all financial institutions to adopt. Some of these changes may be accomplished through supervision, additional guidance, and enforcement. Others may be achieved by enacting rules under the EFTA, Regulation CC or the CFPB's authority to prevent unfair, deceptive or abusive practices.

Specifically, we urge regulators to:

- 1) Require RDFIs to comply fully and effectively with an accountholder's request to stop payment of any item if the person provides sufficient notice, whether that item is a check, an RCC, an RCPO or an EFT. A single oral or written stop-payment request should be effective to stop payment on all preauthorized or repeating transfers to a particular payee. The stop-payment order should remain in effect for at least 18 months, or until the transfer(s) is/are no longer occurring.
- 2) Provide guidance on effective measures to stop payment of items that cannot be identified by check number or precise amount, and provide model stop-payment forms to implement those measures.
- 3) Provide model forms that RDFIs may provide to accountholders to assist them in revoking authorization for a payment with the payee, but make clear that use of the form is not a precondition to stopping payment.
- 4) Permit RDFIs to charge only one returned-item fee for any item returned more than once in a 30-day period, even if a payee presents the same item multiple times because an account lacked sufficient funds. We understand that the current practice at many RDFIs is to charge one fee per presentment, but it would protect consumers from uncontrollable fees and level the playing field if there were a clear rule for everyone limiting such fees.
- 5) Permit RDFIs to charge only one stop-payment fee per stop-payment order (unless the payment is unauthorized), even if the order is intended to stop recurring payments.
- 6) Limit stop-payment fees. For small payments, the fee should be no more than half the amount of the payment or \$5, whichever is greater.⁴⁰ Fees for other payments should be capped at an amount that is reasonable.
- 7) Require RDFIs to waive stop-payment fees if the payment that an accountholder is attempting to stop is unauthorized.
- 8) Ensure that banks are not rejecting consumers' unauthorized-payment claims without justification. Advise banks that a payment should be reversed if the purported

⁴⁰ Center for Responsible Lending agrees with requiring that stop payment fees be reasonable but reserves judgment on any specific thresholds recommended.

authorization is invalid, and examine samples of unauthorized-payment claims that were rejected by banks.

- 9) Require RDFIs to forego or reverse any overdraft or NSF fees incurred as a result of an unauthorized item (check or EFT), including when the check or item directly overdraws the account and also when it depletes the account and causes a subsequent item to bounce or overdraw the account.
- 10) Require RDFIs to permit accountholders to close their account at any time for any reason, even if transactions are pending or the account is overdrawn.
- 11) Provide guidance to RDFIs as to how to deal with pending debits and credits if someone asks to close an account, while requiring RDFIs to reject any subsequent items after the person has requested that her account be closed.
- 12) Provide model forms that RDFIs should provide to accountholders who have asked to close their account to aid in identification of other preauthorized payments for which the consumer will need to revoke authorizations or that the consumer can re-direct to a new account.
- 13) Prohibit RDFIs from charging any NSF, overdraft or extended overdraft fees to an account once the accountholder requests that it be closed.
- 14) Provide model disclosures that fully inform accountholders of the above practices, and require RDFIs to fully train their employees on the above practices.
- 15) Advise accountholders of their right to stop payments to payees, to revoke authorizations, and to contest unauthorized charges.
- 16) Encourage RDFIs to reach out to consumers if the RDFI detects unusual account activity and to advise consumers of their right to stop payments to payees, to revoke authorizations, and to contest unauthorized charges. Regulators should also consider ways to help financial institutions develop age-friendly banking services that help seniors avoid scams.⁴¹
- 17) Require RDFIs to make greater efforts to report potential problems to NACHA, the CFPB, the Federal Reserve Board, and the appropriate regulator.

⁴¹ AARP and American Bankers Ass'n, Press Release, "AARP and ABA Plan to Join in Fight Against Financial Abuse of Older Americans," (June 24, 2014), available at <http://www.aarp.org/about-aarp/press-center/info-06-2014/aarp-aba-join-fight-against-fraud.html>.

Changes Directed at Payees

Although this letter focuses on consumers' interactions with their financial institution, the problems start at the payee/originator level. Beyond efforts by ODFIs to monitor the payments they process, it would be helpful to have more clarity in and enforcement of consumer protection rules governing authorization requirements for payments taken out of consumers' accounts and the right to revoke authorization for those payments.

Currently, there is little detail in Regulation E on authorization requirements for recurring electronic payments and virtually none for single entry payments. Regulation E requires that all disclosures be clear and readily understandable, and the regulation defines unauthorized transfers,⁴² but more guidance on specific rules for authorizations would be helpful. Similarly, Regulation E implies a right to revoke authorization, and has been interpreted by some courts to afford such a right, but the right to revoke and procedures for doing so could be made clearer.⁴³

Online lenders also regularly circumvent the Regulation E ban on conditioning credit on payment by preauthorized electronic fund transfer. Lenders use coercive and manipulative practices to induce consumer agreement, such as conditioning the immediate processing of the loan application and the deposit of funds on the ability to process payments through the ACH network. The Regulation E ban on compulsory use also does not clearly apply to remotely created checks even when processed electronically.

NACHA rules provide more detail about authorization requirements and the right to revoke authorization for ACH transactions.⁴⁴ But NACHA rules are not directly enforceable by consumers and the rights they afford are largely unknown.

Finally, the rules that govern authorization of remotely created checks and remotely created payment orders or a right to revoke authorization are opaque. Those payment devices, which have been subject to substantial abuse, should be banned in consumer transactions.⁴⁵ Until a ban can be implemented, Regulation E rights and responsibilities should be extended to cover the devices.

Detailed proposals for clarifying and enforcing the obligations of payees that originate debits from consumer accounts are beyond the scope of this letter. But we flag those issues here as an important topic for ongoing discussion.

⁴² See NCLC, Consumer Banking and Payments Law §§ 5.3.1.1, 5.4.2.1 (Supp. 2014 forthcoming).

⁴³ See NCLC, Consumer Banking and Payments Law § 5.8.4.2 (Supp. 2014 forthcoming); *O'Donovan v. CashCall, Inc.*, 2009 WL 1833990 (N.D. Cal. June 24, 2009).

⁴⁴ See 2014 NACHA Operating Rules § 2.3.2.3(c), 2.5.12, 2.5.17.3; 2014 NACHA Operating Guidelines § V, ch. 45 at OG210, OG224; *id.* ch. 48, at OG232; NCLC, Consumer Banking and Payments Law § 5.3.7.2.3 (Supp. 2014 forthcoming).

⁴⁵ See Letter of NCLC et al. to Chairman Ben Bernanke (Dec. 13, 2013), available at http://www.nclc.org/images/pdf/high_cost_small_loans/payday_loans/rcc-fed-comments12132013.pdf.

Conclusion

We would welcome the opportunity to further discuss these matters. Please do not hesitate to contact Susan Shin with New Economy Project, susan@neweconomynyc.org, (212) 680-5100, or Lauren Saunders with the National Consumer Law Center, lsaunders@nclc.org, (202) 595-7845, if you have any questions.

Sincerely,

Alabama Appleseed Center for Law & Justice
Americans for Financial Reform
Arizona Community Action Association
Arizona Consumers Council
Arkansans Against Abusive Payday Lending
Center for Responsible Lending
Coalition of Religious Communities (Utah)
Connecticut Association for Human Services
Consumer Action
Consumer Federation of America
Consumers Union
Empire Justice Center
Florida Alliance for Consumer Protection
Jacksonville Area Legal Aid, Inc.
Kentucky Equal Justice Center
Maryland Consumer Rights Coalition
NAACP
National Consumer Law Center (on behalf of its low income clients)
National People's Action
NeighborWorks Blackstone River Valley
New Economy Project (New York)
North Carolina Justice Center
Reinvestment Partners
Rhode Island Payday Lending Reform Coalition
South Carolina Appleseed Legal Justice Center
Texas Appleseed
U.S. PIRG
Virginia Citizens Consumer Council
Virginia Poverty Law Center
Woodstock Institute

EXHIBIT A

JPMORGAN CHASE & CO.

Sheila E. Carson
Vice President and
Assistant General Counsel

June 20, 2013

Josh Zinner, Esq.
Susan Shin, Esq.
New Economy Project (formerly NEDAP)
176 Grand Street, Suite 300
New York, NY 10013

Re: Baptiste, et al. v. JPMorgan Chase Bank, N.A. No. 12-CV-04889 (JBW) (JMA)

Dear Counselors:

As you know, we represent defendant, JPMorgan Chase Bank, N.A. (“Chase”).

In conjunction with settlement of the above-referenced litigation, Chase has agreed to provide the following information concerning its recently implemented and planned policy and practice changes to the way consumer authorized ACH transfers are processed – particularly with regard to payday lenders. In the past several months, we have announced the following improvements in the processing of ACH transfers from consumer accounts:

1. We agree that consumers have the right to stop payment on all recurring ACH transfers to previously authorized payees, and have implemented procedures to make it easier for consumers to do so upon request. Under our new procedures, we will accept and process either oral or written requests, provided that the customer (1) accurately identifies the payee (which may be identified in the customer’s Chase bank account statement or transaction history), (2) requests that the stop payment be made for a specific amount, for a range of amounts, or for all amounts, and (3) makes such request before the transfer on which payment is to be stopped, except that if the customer requests that Chase stop payment on multiple or all transfers, the customer need only make such request before the first of such transfers. The stop payment will be maintained for at least eighteen months or until the ACH transfer(s) is/are no longer occurring (plus 18 months thereafter), and only one stop payment fee will be charged for each stop requested. We are reviewing our customer disclosures and will make revisions as necessary.

2. We now charge only one Returned Item fee for any item returned more than once in a 30-day period, even if the biller presents the same item multiple times because of insufficient funds in the customer's account.
3. We are working to proactively identify potential misuse of the ACH system used by banks to send and receive electronic payments – including possible misuse by payday lenders and other companies – and report such practices to industry trade associations. We will work with industry trade associations to strengthen policies that prevent excessive collection attempts.
4. Later this year, we expect to implement technology allowing consumers to initiate account closing and restrict future transactions (other than debit card transactions we have already authorized for payment) even if the account has a negative balance or pending transactions. We will not charge Returned Item, Insufficient Fund, or Extended Overdraft fees to an account once account closing has been initiated.
5. We will continue to strengthen employee training and communication on our existing stop payment policy and will roll out revised employee training over the next several months in many forms.
6. Going forward, we will continue to be open to discussing these important issues with NEDAP representatives, and agree to meet with NEDAP representatives before the end of the year to discuss the issues.

As to NEDAP's specific policy requests, we agree to discuss policy comments and suggestions brought to us by NEDAP on this issue. Because our policies, procedures and training materials are reviewed and modified on an ongoing basis, and many enhancements are in the pipeline, we hope you will understand that we cannot agree to specific language or timeframes outside of our regulatory framework.

Very truly yours,



Sheila E. Carson

EXHIBIT B

Deposit Account Agreement – Important Notices

The following disclosures are part of your Deposit Account Agreement and contain additional information about the fees and features of your account.

Except for the terms, fees or account features included here, all other terms and conditions of your Deposit Account Agreement still apply.

Deposit Account Agreement – General Account Terms

A. Deposits and Checks You Cash

12. Our right to charge back deposited or cashed checks

Replace the first paragraph of “Our right to charge back deposited or cashed checks” with the following:

If you deposit any check or other item to your account or cash any check, and we are notified that the item will be returned unpaid or another bank demands that we repay them for the item for any reason, we may deduct the amount of the item from any of your accounts, even if doing so creates an overdraft. If a deposited or cashed item is returned, we will charge you a Deposited Item Returned fee or a Cashed Check Returned fee, and we may deduct the amount from any of your accounts. We may deduct the amount from your account whether the physical item is returned to us or not, and whether we can return the item or a copy to you or not. If an item is returned, we will notify you by mail but are not required to give you next-day notice.

C. Overdrafts and Fees, Overdraft Protection, Setoff, and Security Interest

1. Overdrafts

Replace the first paragraph of “Overdrafts” with the following:

We may, but are not required to, decline to pay any item unless your available account balance at the time is equal to or more than the amount of the item, plus all other items received but not yet paid, and we will decline any requested ATM withdrawal unless your available account balance at the time is equal to or more than the amount of the requested withdrawal. Even if we've paid overdraft items before, we are not required to do it in the future. For personal accounts, unless you have notified us that you DO want us to pay debit card overdrafts at our discretion, we generally won't authorize a non-repeating (“everyday”) debit card transaction if your available account balance isn't enough to pay that transaction. For business accounts, if you have notified us NOT to pay debit card overdrafts we generally won't authorize a non-repeating (“everyday”) debit card transaction if your available account balance isn't enough to pay that transaction.

3. Insufficient Funds, Returned Item, and Extended Overdraft fees

Replace the first paragraph of “Insufficient Funds, Returned Item, and Extended Overdraft fees” with the following:

We will charge a fee for any item presented on a business day when your account is overdrawn, whether or not we pay the item. If we pay it, we will charge an Insufficient Funds fee. If we return it, we will charge a Returned Item fee. For personal accounts, we will only charge an Insufficient Funds fee for an everyday debit card transaction if you have notified us to pay debit card overdrafts. For business accounts, we will charge an Insufficient Funds fee for an everyday debit card transaction unless you have notified us not to pay debit card overdrafts. If your account becomes overdrawn during a business day, you can avoid these fees by depositing cash or transferring funds from another Chase account by the end of the business day.

4. Overdraft Protection agreement

Replace the “Limits on Overdraft Protection” section with the following:

Limits on Overdraft Protection:

- We will not transfer more than the available account balance in a savings account or the available credit (as of the end of the previous business day) in a credit account, even if the amount of the overdraft

is more than that available amount. If the available account balance isn't enough to pay all the checks and other transactions you have initiated on any day plus the Overdraft Protection Transfer fee in increments of \$50.00, we will transfer enough funds to pay one or more transactions, plus the fee. If the available account balance is enough to pay one or more transactions but not the fee, we'll transfer enough to pay just the transactions. However, we will charge the Overdraft Protection Transfer fee against the account, causing the account to be overdrawn. Any transactions that are not paid by the transfer will either be paid or returned, and Insufficient Funds fees or Returned Item fees will be charged as if you didn't have Overdraft Protection.

E. Statements, Notice of Errors, and Other Notices

2. Notice of errors, forgeries and unauthorized signatures

Replace the section of “Notice of errors, forgeries and unauthorized signatures” with the following:

You must notify us in writing within 30 days after we mail a statement or otherwise make a statement available (for example, paperless statements) if:

- An item that you did not authorize or that is altered is listed on the statement;
- Your account statement contains any errors; or
- You did not receive your scheduled statement.

You must notify us in writing of any unauthorized, improper, or missing endorsements within 6 months after the account statement is mailed or made available.

You must provide us with all information we need to investigate the alleged error or item. You must also file any police reports and provide any supporting affidavits and testimony we reasonably request.

If you do not comply with the requirements above, we are not required to reimburse you for any claimed loss, and you cannot bring any legal claim against us in any way related to the item or errors. In addition, if you fail to notify us of any unauthorized item within 30 days (14 days in New York) after we mail or in any other way make available a statement that lists an unauthorized item, we are not required to reimburse you for unauthorized items by the same person that we pay after that time. However, the Electronic Funds Transfer Services Terms section of this agreement applies to the reporting of errors on personal electronic funds transfers subject to Consumer Financial Protection Bureau Regulation E. You also have certain rights under federal law for substitute checks; please see the Substitute Checks and Your Rights section of this agreement for more information.

H. Closing Your Account

Replace the first paragraph of “Closing Your Account” with the following:

Either you or we may close your account (other than a CD) at any time for any reason or no reason. We are not required to close your account on your request if you have pending transactions or the account is overdrawn. In those cases, if you ask us to do so, we will restrict your account against all future withdrawals until pending transactions are paid or returned and the account balance is no longer negative. After we restrict your account in preparation for closing, we will not pay any additional interest on the account. We may automatically close your account if the account balance is \$0 or negative. Any closed account may be automatically reopened if we receive a deposit to the account. Either you or we may close your CD account on any maturity date without cause.

Deposit Account Agreement – Important Notices

I. Other Legal Terms

1. Telephone and electronic communication

Replace the section of “Telephone and electronic communication” with the following:

We may record and/or monitor any of our telephone conversations with you. If we do record, we do not have to keep the recordings, unless the law says we must.

When you give us your mobile phone number, we have your permission to contact you at that number about all your Chase or J.P. Morgan accounts. Your consent allows us to use text messaging, artificial or prerecorded voice messages and automatic dialing technology for informational and account service calls, but not for telemarketing or sales calls. It may include contact from companies working on our behalf to service your accounts. Message and data rates may apply. You may contact us anytime to change these preferences. If you give us your email address, you agree that we may send servicing messages related to your accounts (such as fraud alerts and hold alerts) to that address.

Communications may be sent electronically, such as e-mail or text messages, rather than via U.S. mail or other means, unless the law says otherwise.

18. Personal Information at account opening

Replace the second section of the “Personal information at account opening” with the following:

18. Our responsibility to obtain personal information

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or business that opens an account.

- When you open a personal account, we will ask for your name, residential address, date of birth, and Social Security number, which will allow us to verify your identity. We may also ask to see your driver’s license and other identifying documents, or ask other questions to verify your identity.
- When you open a business account, we’ll ask for your business name, taxpayer identification number, and business address so we can verify your business. We’ll also ask for your name, residential address, date of birth and Social Security number, so we can verify your identity. We may also ask for documents to verify the business’s existence.

We may also obtain additional information at account opening, or contact you at any time your account is open to obtain additional information to comply with “Know Your Customer” requirements. We may restrict or close your account if we are unable to obtain information in order to satisfy our “Know Your Customer” requirements.

Deposit Account Agreement – Electronic Funds Transfer Service Terms

A. Types of EFT Services

1. ATM and Debit Cards

Add the following section to “ATM and Debit Cards”:

You can use your ATM card or debit card (either is called a “Card”) as follows:

At certain Chase branches to:

- Make deposits, withdraw cash, and make payments with assistance from a bank employee without counter slips where you enter your transaction request on an electronic terminal; and
- Make deposits, withdraw cash, make payments, and conduct other banking transactions without counter slips at Express Banking kiosks, which offer expanded services over traditional ATMs, but branch staff is also available to assist with transactions and review deposited items.

We also offer cards with limited functions for your deposit accounts, such as deposit-only business cards and prepaid debit cards that can be linked to a checking or savings account. Subject to the limited functions provided for each card, limited-function cards are also considered “Cards” under this Agreement.

C. Limitations on Transfers, Amounts, and Frequency of Transactions

Add the following to “Limitations on Transfers, Amounts, and Frequency of Transactions”:

- When you use an Express Banking kiosk located inside a branch, during the branch’s posted operating hours, your daily dollar limit for withdrawals is \$2000, which is in addition to your ATM daily dollar limit for withdrawals (separate daily limits do not apply to Privileges and Associates cards). When you make a withdrawal from an Express Banking kiosk at any other time, the amount is included in your ATM daily dollar limit for withdrawals.

D. Receipts and Statements

Replace the first paragraph of “Receipts and Statements” with the following:

You will receive or have the option to receive a receipt at ATMs, Express Banking kiosks, teller stations where you initiate transactions using an electronic screen, and merchant locations each time you make a transaction. However, for certain small dollar transactions at merchant locations, you may not receive a receipt.

G. Stop Payment for Preauthorized (Repeating) Transfers

Replace Section 2 with the following:

2. You must give us the exact account number and the exact name of the payee. In addition, you must provide the exact amount of the payment, a range of amounts, or an instruction to block all payments from the named payee. You must also notify the payee that you have withdrawn your authorization for the repeating electronic payments. If you see that a payment for a different amount or for a different payee than the stop payment you originally placed is listed as a “Pending” transaction, contact us before the end of the business day, so that we may attempt to stop the payment of the transaction.

Please Note: If you see a pending ACH transaction(s) and you have not already placed a Stop Payment request for that amount and payee, you may request a stop payment for that item as long as the request is made before the end of the business day and the item has not posted to your account.

K. Services not Covered by this Part; Separate Agreements

Add the following to “Services not Covered by this Part; Separate Agreements”

We may offer additional EFT services besides those described in these Electronic Funds Transfer Service Terms that have separate agreements and disclosures.



Deposit Account Agreement

Privacy Notice

How to Contact Us

*Important legal information, disclosures
and terms you should know.*

WELCOME TO CHASE

Thank you for opening your new account with Chase; we look forward to serving you.

Your new deposit account gives you access to a wide range of advantages that can save you time and money and make everyday banking secure and convenient. Such as our 19,000-plus Chase ATMs, 5,600-plus nationwide branches, online banking, bill payment, Chase Mobile®, and Account Alerts.

Please keep this agreement handy for answers when you need them. And remember, whenever you have a question, you can call us at 1-800-935-9935 (for Business Accounts 1-800-242-7338) or see a Chase banker at your nearest branch.

ABOUT THIS BOOKLET

This booklet (formerly known as Account Rules and Regulations) contains the following three sections. Please review this information and keep it with your records.

Deposit Account Agreement

This section is your Deposit Account Agreement, or contract, with us.

The Deposit Account Agreement also includes the following disclosures (which are separate documents we provide to you) that apply to our personal and business accounts:

- Rates for interest-bearing accounts
- Personal accounts:
 - Additional Banking Services and Fees
 - Personal account products
- Business accounts:
 - Additional Banking Services and Fees
 - Business account products
 - Business Deposit Express Fees and Agreement
- Any additional disclosures, such as amendments or agreements, that we will provide to you, either when you open your account or if we change the terms of your account.

Privacy Notice

The Privacy Notice explains what we do to keep information about you private and secure, and your choices about how we use your information.

How to Contact Us

This section contains information on how to contact us, by phone or mail, if you have any questions.

TABLE OF CONTENTS

DEPOSIT ACCOUNT AGREEMENT	2
General Account Terms	3
A. Deposits and Checks You Cash.....	3
B. Checks, Withdrawals, and Other Charges.....	5
C. Overdrafts and Fees, Overdraft Protection, Setoff, and Security Interest.....	7
D. CDs.....	9
E. Statements, Notice of Errors, and Other Notices.....	11
F. Forms of Account Ownership.....	12
G. Interest on Checking and Savings Accounts.....	14
H. Closing Your Account.....	15
I. Other Legal Terms.....	15
Substitute Checks and Your Rights	20
Electronic Funds Transfer Service Terms	21
A. Types of EFT Services.....	21
B. Important Information and Agreements about Your ATM or Debit Card.....	22
C. Limitations on Transfers, Amounts, and Frequency of Transactions.....	24
D. Receipts and Statements.....	24
E. In Case of Errors or Questions about Your Electronic Funds Transfers.....	24
F. Our Liability for Failure to Complete Transactions.....	24
G. Stop Payment for Preauthorized (Repeating) Transfers.....	25
H. Disclosure of Account Information to Third Parties.....	25
I. Notice of Your Rights and Liabilities.....	25
J. Fees.....	26
K. Services Not Covered by This Part; Separate Agreements.....	26
Account Alerts and Chase Mobile®	27
Funds Availability Policy	28
PRIVACY NOTICE	30
HOW TO CONTACT US	BACK COVER

GENERAL
ACCOUNT TERMS

SUBSTITUTE CHECKS
AND YOUR RIGHTS

ELECTRONIC FUNDS
TRANSFER SERVICE TERMS

ACCOUNT ALERTS AND
CHASE MOBILE

FUNDS AVAILABILITY
POLICY

PRIVACY NOTICE

DEPOSIT ACCOUNT AGREEMENT

This Deposit Account Agreement is the contract that governs your account. Please be sure to read it carefully and keep it in a safe place. If you have any questions regarding any of the information contained in this agreement, please stop by any Chase branch and talk with one of our bankers. They'll be happy to help. You can also call us at one of the numbers listed on the back cover.

Whether you're a personal or business customer with a Chase deposit account, this is the basic agreement between you and us (JPMorgan Chase Bank, N.A. or any of our affiliates where you have a deposit account). By signing a signature card or application, or using any of our deposit account services, you and anyone else identified as an owner of the account agree to the terms contained in this agreement. Customers of some of our business groups, such as Corporate Banking, will get a different agreement and their accounts will be governed by that agreement, not this one. If you have a product that is not a deposit account, such as a gift card or prepaid debit card, this agreement does not apply to that product. Also, other services, such as online banking or retirement accounts, have additional agreements. If another more specific agreement and this one disagree, the more specific agreement will govern.

This agreement also refers to and includes other disclosures we may provide to you, including (1) product information, (2) rate information disclosures (if applicable), (3) banking services and fee disclosures, and (4) other disclosures, agreements, and amendments that we may provide to you. All may contain information on fees that apply to your accounts.

Important Definitions:

Below are definitions of some important terms used throughout this agreement:

"Account": Means any deposit account you have with us (such as a checking or savings account) that is covered by this agreement.

"Business day": Means every day except Saturdays, Sundays, or federal holidays. Some branches may close on a business day due to an emergency or to observe a state holiday.

"Debit card transaction": Includes any purchase from a merchant using your ATM card or debit card.

"Direct deposit": With "direct deposit," someone, such as an employer or the government, sends your funds directly into your account through the ACH electronic payment system.

"ACH": Is an electronic deposit to or withdrawal from your account, such as a directly deposited payroll check or a bill payment, sent to us through the "automated clearinghouse," which is an electronic network that sends and receives those transactions.

"Check": Means any written order to pay a specific amount of money drawn on, payable through or at, or processed by, a bank or other depository institution. If a check is sent or returned as an electronic image or as a substitute check, it is still considered a check.

"Available balance": Your "available balance" is the balance in your account after deducting (1) deposits that are not yet available for withdrawal under our Funds Availability Policy, (2) debit card or other transactions that we are legally obligated to pay or have already paid out in cash, (3) other pending transactions such as ACH transactions, and (4) any holds on your account, such as holds on funds to comply with court orders or other legal requirements.

"Item": Means any check, ACH, funds transfer, teller cash withdrawal, ATM withdrawal, debit card purchase, fee, charge, or other amount that is added to or subtracted from your account.

"Hold on your account": Means that the funds are still in your account but we will not allow you to withdraw them. A hold may be placed because of delayed funds availability, a court order requiring us to prevent withdrawals, or other reasons. The amount of a hold reduces your available balance by that amount.

"Overdraft" or "overdrawing" your account": Means that your account balance, minus any deposits you've made that are not yet available, and minus holds on your account, is less than \$0 or that your available balance is not enough to pay all the items that have been presented to us on a business day.

GENERAL ACCOUNT TERMS

A. Deposits and Checks You Cash

1. Direct deposits; notice of electronic deposits

We encourage you to use direct deposit whenever possible so your money can't be stolen or lost in the mail.

When we receive an electronic deposit for your account, the only notice you will receive is on your next account statement. You may use online banking or Account Alerts or call us to confirm that we have received an ACH or wire transfer deposit.

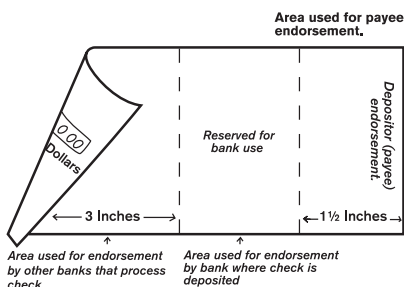
If the bank that sent an electronic deposit notifies us that it was sent by mistake, or was intended for another customer or account, we may deduct the amount of the deposit from your account without investigating.

2. Endorsements

An "endorsement" is a signature, stamp, or other mark made on a check to transfer the check to another person. If any check deposited to your account doesn't have your endorsement, we may endorse it for you, or treat the check as if we had endorsed it. Either way, the effect will be the same – as if you had endorsed the check. Also, any check deposited to your account that appears to contain your stamped or facsimile endorsement will be treated as if you had actually endorsed it. We are not bound by any conditional or restrictive endorsement on a check you cash or deposit, or any endorsement "without recourse."

3. Endorsement requirements

To help ensure that checks you deposit or cash will be processed promptly, your endorsement (and any other endorsement before the check is deposited) must be in the 1-1/2 inch area that starts on the right side as viewed from the back. Payee or customer information must not be on any other part of the back of the check (look at the following diagram to see this area):



If you don't endorse your check properly, and it causes us a loss, cost, or expense, you have to pay that amount to us.

4. Deposit records and receipts

We may rely on the account number on any deposit slip or similar record we receive, even if that account number is associated with a name that's different from the name you've provided. It's not Chase's responsibility to detect any inconsistency between the account number you provide and the name.

If you make a deposit, we may provide a receipt. However, the amount on your deposit receipt is based only on the deposit slip you complete. We may confirm the funds you deposit and, after review, may adjust your account for any errors – including any errors on your deposit slip. We are not required to adjust your account for discrepancies under \$10.

If we issue you a CD receipt and you then decide not to open the CD, or a deposit receipt and you then cancel the deposit, the receipt is void and you may not claim those funds.

5. Night depository and large cash deposits

If you use our night depository, you are responsible for any disappearance, theft, or loss of any envelope, bag, or money before we issue a written receipt for the deposit.

Any of our employees may open and count any deposit that a teller didn't count in front of you, including night depository deposits and large cash deposits, and you agree not to dispute that employee's determination of the amount you deposited.

DEPOSIT ACCOUNT AGREEMENT

6. Our right to refuse deposits

We may refuse a deposit, or part of a deposit, to your account at any time. We also may refuse a deposit after initially accepting it. If we refuse a deposit, we may take the check on a “collection basis,” which means we won’t add funds to your account until we’ve actually been paid for the check. We will not be liable to you for refusing a deposit, even if it causes outstanding items to be returned. We can reverse any amount we’ve added to your account for a deposited check and send the check on a collection basis even after we’ve taken physical possession of the check.

7. When you can withdraw funds you’ve deposited

Generally, for most accounts, you may withdraw funds the next business day after the business day you deposit them. But in some cases you may not be able to immediately withdraw or write checks against deposited funds. See our Funds Availability Policy for details.

If funds from a deposit become “available” and you can withdraw funds, that does not mean the check or other item you’ve deposited is “good,” has “cleared,” or has been paid by the paying bank. It’s possible that the item will be returned unpaid months after we’ve made the funds available to you and you’ve withdrawn them. No one, including our employees, can guarantee you that a check or other item will not be returned.

8. Foreign checks

We are not required to accept for deposit checks that are drawn on a non-U.S. bank or payable in a foreign currency. We may accept those checks on a collection basis without your specific instruction to do so. We can reverse any amount we’ve added to your account and send the check on a collection basis even after we’ve taken physical possession of the check. Our Funds Availability Policy does not apply to any foreign check, whether we accept it for deposit or on a collection basis. The actual amount you receive for checks payable in a foreign currency will be determined at our exchange rate for such items that’s in effect when we’re paid for the check. If a check is returned later for any reason, we will charge your account at the applicable exchange rate in effect at the time of the return, which may be more or less than the exchange rate originally used for the deposit.

9. Depositing substitute checks

A “substitute check” is a copy of a check that is the legal equivalent of an original check. You may sometimes receive a substitute check, such as when a check you deposited is returned unpaid. You agree not to deposit substitute checks; however, if you do and we suffer a loss, cost, or expense as a result, you will have to pay us that amount.

10. Depositing remotely created checks

“Remotely created checks” are created when an account holder authorizes a payee to draw a check on the account, but instead of the account holder’s actual signature, the check identifies that the account holder authorized the check. If you deposit a remotely created check, you guarantee it was authorized by the account holder for payment in the amount it shows.

11. Our responsibility for collecting deposits

If you deposit or cash a check, or we send one for collection, we only act as your agent. Our only responsibility is to exercise reasonable care. We will not be liable for the lack of care of any bank we use to collect checks, or for checks lost while being shipped. We may send checks to any bank or directly to any non-bank drawee in our customary manner. We may agree with other banks regarding times and methods for collecting or returning items.

If we lose a check, you agree to use reasonable efforts to help us locate or replace the lost check.

Although we attempt to identify and prevent fraudulent transactions, we have no duty to you to determine whether any check you deposit or cash is forged, counterfeit, altered, improperly endorsed, or otherwise improper. If you deposit the check in your trust account (including any attorney trust account), we may charge your trust account, an account in your name, or charge part of the check to each.

12. Our right to charge back deposited or cashed checks

If you deposit any check or other item to your account or cash any check, and we are notified that the item will be returned unpaid or another bank demands that we repay them for the item for any reason, we may deduct the amount of the item from any of your accounts, even if doing so creates an overdraft. If a deposited or cashed item is returned, we will charge you a Deposited Item Return fee, and we may deduct the amount from any of your accounts. We may deduct the amount from your account whether the physical item is returned to us or not, and whether we can return the item or a copy to you or not. If an item is returned, we will notify you by mail but are not required to give you next-day notice.

We may place a hold on or charge your account for any check or other item deposited into your account if a claim is made or we otherwise have reason to believe that the check or other item was altered, forged, unauthorized, has a missing signature, a missing or forged endorsement, or should not have been paid, or may not be paid, for any other reason. When the claim is finally resolved, we will either release the hold or deduct from your account the amount of the item.

B. Checks, Withdrawals, and Other Charges

1. Withdrawals and transfers from your account

We may subtract from your account the amount of any check or other item that you or any person you authorize created or approved. We may require you or any person you authorize to provide us with identification, documentation, or information that's acceptable to us.

2. Your check forms

Checks and other account documents you use must be on forms obtained through or approved by us. We're not responsible for losses that result from improper printing on documents we don't approve. We may refuse to accept for deposit or pay checks in a form that we cannot process or photograph using our customary equipment.

3. Protecting your checks

You must protect your checks and other account documents and information from theft and unauthorized use. You must write your checks in a way that prevents someone else from completing, altering, or adding to them without your authorization. If you become aware that any checks or other documents and information, such as statements, have been lost or stolen, you must notify us immediately. If you fail to do any of these things, we are not responsible for any losses that may result.

4. Incomplete, future-dated, or conditional checks, and checks dated more than six months before payment

You agree not to write a check that's incomplete, future-dated, or conditional (one that tries to limit the time or method of payment, such as "Void after 180 days" or "Valid only for \$1,000 or less"). We have no duty to discover, observe, or comply with such checks. If we pay a conditional check, the conditions do not apply to us.

We may choose to pay or not to pay a check that is dated more than 6 months before it is presented for payment regardless of how old it is, and if we pay it, you will be responsible for the check.

5. Multiple signatures

We are not required to comply with any multiple-signature requirement, either on personal or business accounts, even if your signature card specifies that multiple signatures are required or you have otherwise instructed us to do so. This requirement is for your internal control purposes only.

6. Facsimile signatures

We may pay a check bearing any form of facsimile or computer-generated signature. If you use a facsimile or computer-generated signature, or provide a signature card authorizing any such signature, you will be solely responsible for any check bearing a similar signature, regardless of your negligence or whether the signature was the same one you previously used.

7. Check cashing

If a person who is not our deposit or loan customer tries to cash your check at any of our branches, we may charge them a fee or refuse to cash it. We may also require that they provide us identification we deem acceptable, including fingerprints.

8. Large cash withdrawals

We may place reasonable restrictions on the time and method of any large cash withdrawal. If you make a large cash withdrawal, we may also require that you sign a document releasing us from any liability if you are robbed or assaulted. We may refuse the cash withdrawal if you do not agree with these conditions.

9. Review of checks and signatures

Check payment is highly automated, and we pay millions of checks every day. Although we inspect some checks, you agree that reasonable commercial standards don't require us to do so. If we return a check because we believe it doesn't match your signature card, we're not liable to you even if the check was actually authorized. If the numeric amount on a check doesn't match the amount written out in words, we may select either one when paying it. We have no duty to prevent a check from being presented more than once.

DEPOSIT ACCOUNT AGREEMENT

10. Notice that a check has been deposited or cashed

If we're notified that a check drawn on your account has been deposited or cashed at another bank, we may place a hold on your account for the check amount, which may cause other items to overdraw the account. If the amount of the check identified in the notice exceeds your account balance at the time we receive the notice, we may notify the other bank of that fact.

11. Account numbers on funds transfers

If you instruct us to send a funds transfer, such as a wire or ACH transfer, we and every other bank involved in the transfer may rely on any bank number or account number you provide. If the funds transfer instruction gives both a bank number or account number and a name, and the name identifies a different person from the bank or account owner identified by number, we and other banks that handle the funds transfer may still rely exclusively on the number, and have no duty to detect any inconsistency between the bank number or account number and the name.

12. Fees

You agree to pay all fees applicable to your account. When you opened your account, we provided you a schedule of fees applicable to your account, and we will notify you of any changes. We may charge these fees to your account at any time even if the charge overdraws your account.

13. Stop payments

You may stop payment on a check drawn on your account, and we will charge a Stop Payment fee. However, you cannot stop payment if we have already certified, paid, or otherwise become responsible for the check. For example, you can't stop payment on a check we've already cashed because we became responsible for the transaction as soon as we cashed it. Any one owner or authorized signer of an account may order us to stop payment on a check drawn on the account. Refer to the Electronic Funds Transfers section for how to place a stop payment on recurring electronic payments.

To stop payment on a check, you must give us an oral or written stop payment order using the phone number or address listed on the back cover, or in person at a branch, or by making an electronic stop payment order through online banking. You must give us the exact account number, and either the exact check number(s) or amount, so we can identify the item. Generally, upon receipt of the stop payment instructions, your request will be processed immediately.

For personal accounts, a stop payment order is effective for 1 calendar year, and may not be extended. However, you may place a new stop payment order, which will be effective for 1 calendar year from the day this additional order is placed. An additional Stop Payment fee will be charged. Generally, we will send a confirmation of your stop payment depending on the channel in which the stop payment was originated.

For business accounts, your stop payment order may either:

- Be effective for 1 calendar year, or
- Be effective for one year and then automatically renewable annually for 6 additional years. We will list scheduled renewals on your business account statement 60 to 90 days in advance. The stop payment will be renewed, and you will be charged a Stop Payment Renewal fee, unless you notify us not to renew by returning the notice portion of the statement.

For business accounts, we may send you a written confirmation of your stop payment order. Information in the written confirmation will be presumed correct unless you notify us immediately of any errors.

Whether you have a personal or business account, when the stop payment order expires, we may pay the item and have no duty to notify you except for identifying the item as paid on your statement.

We are not required to accept a stop payment on a cashier's check, teller's check ("official check"), or certified check, unless you provide us a sworn statement – in a form we deem acceptable – that the check is lost, stolen, or destroyed. After a stop payment is placed, we are not required to refund the money used to purchase the check, or issue a replacement check, until and unless the check is not presented for payment within 90 days after the issue or certification date. If in our discretion we agree to refund or replace the check, we will require that you purchase a surety bond for the amount of the check.

14. Limits on savings account withdrawals

Withdrawals or transfers out of your savings account are limited by federal law. In this agreement, a savings account means an account with limited withdrawal privileges, including a money market account.

During any monthly statement period, you may make no more than 6 withdrawals or transfers (for example by check, debit card, ACH, telephone, Internet, Overdraft Protection transfer) out of these accounts. However,

this limit does not apply to withdrawals made in person or through ATMs, mail (by a check payable and mailed to you), or messenger.

We are required by law to ensure that you comply with this limit. If you exceed this limit after we've notified you of a violation, we will change your account to one we choose that doesn't limit withdrawals, and it may be an account that pays less or no interest.

15. Savings Withdrawal Limit fee

If you make more withdrawals or transfers out of your savings account than your account terms permit in a monthly statement period, we will charge a Savings Withdrawal Limit fee. This fee is based on all withdrawals and transfers, not only those that are limited by federal law.

16. Our right to require advance notice of withdrawals

For all savings accounts and all personal interest-bearing checking accounts, we reserve the right to require 7 days' prior written notice of withdrawal.

17. Death or incompetence of account owner

Notify us immediately if any account owner dies or is declared incompetent by a court. Until we receive notice otherwise, we may act as if all owners are alive and competent.

After we receive notice of death or incompetence, we may freeze the account, refuse to accept transactions, and reverse or return deposits to the account. We are also not required to release funds in the account until we receive any documents we reasonably request to verify the death or incompetence, as well as who is entitled to the funds. If we have any tax liability because of paying funds in an account to you or your estate, you or your estate will be responsible for repaying us the amount of that tax.

If an account owner authorizes an item, but it's not presented for payment until after that owner dies, we are authorized to pay the item after the owner's death. If an account owner owes us a debt at the time of death, we are authorized to exercise our right of setoff (our right to apply funds in one account to the debt associated with another) or security interest rights against the account after the owner's death. We have these rights even if a surviving joint owner, a POD payee, or a beneficiary of an ITF or "trustee for" account has rights to the account.

C. Overdrafts and Fees, Overdraft Protection, Setoff, and Security Interest

1. Overdrafts

We may, but are not required to, refuse to pay any item unless your available account balance at the time is equal to or more than the amount of the item, plus all other items received but not yet paid. Even if we've paid overdraft items before, we are not required to do it in the future. For personal accounts, unless you have notified us that you DO want us to pay debit card overdrafts at our discretion, we generally won't authorize a non-repeating ("everyday") debit card transaction if your available account balance isn't enough to pay that transaction. For business accounts, if you have notified us NOT to pay debit card overdrafts we generally won't authorize a non-repeating ("everyday") debit card transaction if your available account balance isn't enough to pay that transaction.

We look at your account balance only once from the time we receive an item until we return it to decide whether the item causes an overdraft. We may deduct from your account the amount of a debit card transaction at the time of an authorization request.

Generally, for each business day, we will first add deposits to your account, then subtract wire transfers, non-repeating ("everyday") debit card transactions, online banking transactions, ATM withdrawals, teller cash withdrawals, cashed checks, and deposited checks drawn on us in the order in which they were authorized, withdrawn, or deposited, and then subtract all other items starting with those having the highest dollar amount and moving to the lowest. We reserve the right to use a different order in certain states.

It's your responsibility to avoid overdrawing your account. See a banker to learn about Overdraft Protection. We also offer Account Alerts to keep you informed about the balance and transactions in your account.

2. Your responsibility to repay overdrafts

You must promptly pay the amount of any overdraft along with any fees that apply. If you don't, you may be charged additional fees or interest. We also may report you to credit reporting agencies, close your account, or both. This could affect your ability to open accounts with us or other banks in the future.

You authorize us to use the money from any subsequent deposits to your account to pay any overdraft and resulting fees. Subsequent deposits include any federal or state benefit payments that you choose to

DEPOSIT ACCOUNT AGREEMENT

deposit in any account (including direct deposit of Social Security). You understand and agree that if you don't want your benefits applied in this way, you may change your direct deposit instructions at any time.

You agree to pay all costs and expenses we incur in collecting any overdraft, including attorneys' fees. We may still pursue collection of the amount you owe (including suing you) after it is charged off.

3. Insufficient Funds, Returned Item, and Extended Overdraft fees

We will charge a fee for any item presented on a business day when your account is overdrawn, whether or not we pay the item. If we pay it, we will charge an Insufficient Funds fee. If we return it, we will charge a Returned Item fee. For personal accounts, we will only charge an Insufficient Funds fee for an everyday debit card transaction if you have notified us to pay debit card overdrafts. For business accounts, we will charge an Insufficient Funds fee for an everyday debit card transaction unless you have notified us not to pay debit card overdrafts.

We may limit the number of Returned Item and Insufficient Funds fees we charge for a business day. We will not charge Insufficient Funds fees if your ending account balance is overdrawn by \$5.00 or less or is overdrawn due to a Funds Availability Policy hold and notice of that hold is not provided at the time of the deposit. Additionally, even if your ending account balance is overdrawn we will not charge a Returned Item Fee or Insufficient Funds Fee for any item that is \$5 or less. We will charge an Extended Overdraft fee for any overdraft balances that you haven't repaid promptly, we may charge interest for any overdraft, or we may do both.

Refer to your fee schedule for information about what fees apply and how fees are calculated for your account.

4. Overdraft Protection agreement

Overdraft Protection request: If you request Overdraft Protection, you must specify one or more checking accounts you want protected by the service, and a single account with us or our affiliate for each checking account where the money will come from for Overdraft Protection. That account is called a "funding account." It may be a savings account (including a money market account), a credit card account in good standing, or another qualifying line of credit account. Personal checking accounts may only be linked to personal funding accounts, and business checking accounts may only be linked to business funding accounts. Any person who is an owner of both the checking account and the funding account may request the service without the consent of other owners. Overdraft Protection will become effective within a reasonable time after we have approved your request.

Activation: If you overdraw an account that has Overdraft Protection, we will automatically transfer available funds from the funding account to the checking account in increments of \$50.00 that are enough to pay the overdraft amount and all transfer fees. Transfers will appear on the periodic statements for each applicable account. We are not required to notify you if the funding account becomes unavailable.

Fees: We'll subtract an Overdraft Protection Transfer fee from your checking account each day we transfer funds. The fee amount is disclosed in our fee schedule.

Limits on Overdraft Protection:

- We will not transfer more than the available account balance in a savings account or the available credit in a credit account, even if the amount of the overdraft is more than that available amount. If the available account balance isn't enough to pay all the checks and other transactions you have initiated on any day plus the Overdraft Protection Transfer fee in increments of \$50.00, we will transfer enough funds to pay one or more transactions, plus the fee. If the available account balance is enough to pay one or more transactions but not the fee, we'll transfer enough to pay just the transactions. However, we will charge the Overdraft Protection Transfer fee against the account, causing the account to be overdrawn. Any transactions that are not paid by the transfer will either be paid or returned, and Insufficient Funds fees or Returned Item fees will be charged as if you didn't have Overdraft Protection.
- Transfers from a savings account used as the funding account are limited by federal law. There must not be more than 6 Overdraft Protection transfers and other limited transfers per monthly statement period. The section entitled "Limits on savings account withdrawals" explains these limits in more detail.
- Overdraft Protection will not be available if the funding account is closed or blocked for usage.

Termination of Overdraft Protection:

- We may terminate Overdraft Protection at any time by sending you written notice.
- Any owner of the checking account, any owner of a savings account used as the funding account, or any

borrower on a credit account used as the funding account may cancel Overdraft Protection in person or in writing. Cancellation will be effective after we have received notice and had a reasonable time to act on it.

5. Setoff and security interest

If you owe a debt to us or any of our affiliates (either now or in the future), you grant us a right of setoff to, and a security interest in, all of your accounts to secure the debt. Debts include any overdrafts or fees you owe. If the debt is due or overdue, we may use the funds in any of your accounts to pay all or part of the debt. If your account is a joint account, we may use the funds in the joint account to pay the debt of any account owner. Our security interest will be governed by Uniform Commercial Code Article 9, whether Article 9 applies by its terms or not. We do not have to give you any prior notice to apply the funds. You expressly agree that our rights extend to any federal or state benefit payments (including Social Security benefits) electronically deposited to your account. If you don't want your benefits applied in this way, you may change your direct deposit instructions at any time with the person or organization paying the benefits. The right of setoff does not apply if the debt is created under a personal credit card plan.

If any federal benefits or other payments are deposited to your account after you become ineligible to receive them, we may set off against any of your accounts to recover the payments if we're obligated to return funds to the payor.

D. CDs

A "certificate of deposit" or "CD" is a deposit with us for a specified period of time. This disclosure covers both retirement and non-retirement CD products. By opening your CD, you agree to keep the amount deposited (principal) on deposit. The standard minimum deposit amount to open a CD is \$1,000. Here are a few things you should know about CDs:

- **Term:** The term is the number of days, months, or years you agree to leave your money in the account.
- **Maturity Date and Grace Period:** The maturity date is the last day of your CD's term. For CDs with a term of 14 days or longer, we also provide you a grace period of 10 days after the maturity date. You can withdraw your CD principal without paying an early withdrawal penalty, make additional deposits, or change the rate or term of your CD only on the maturity date or during the grace period.
- **Single Maturity CD:** A single maturity CD will not automatically renew on the maturity date and won't earn or be paid interest after that date.
- **Automatically Renewable CD:** An automatically renewable CD will renew on the maturity date for the same term unless we notify you otherwise or you change or close the account. Once your CD renews, any reference to the maturity date means the last day of the new term. For the renewal term, your CD will earn interest for the term and amount either at the standard interest rate or at the relationship interest rate, if you qualify. If your CD is closed during the grace period, it will not earn interest after the maturity date.
- **Interest:** We use the daily balance method to calculate interest on your CD. This method applies a periodic rate each day to your account balance. Interest begins to accrue on the business day of your deposit. Interest for CDs is calculated on a 365-day basis, although some business CDs may calculate interest on a 360-day basis. The Annual Percentage Yield ("APY") disclosed on the face of your deposit receipt or on the maturity notice assumes interest will remain on deposit until maturity. On maturities of more than one year, interest will be paid at least annually and the amount(s) paid will be reported to the IRS each calendar year. A withdrawal will reduce earnings.
- **Withdrawing Interest:** You may choose to withdraw any paid or credited interest without penalty during your CD's term or at maturity. After the maturity date and grace period, interest will become principal of the renewed CD.
- **Early Withdrawal Penalties. There is a penalty for withdrawing principal prior to the maturity date.**

For Personal CDs:

- If the term of the CD is less than 24 months, the early withdrawal penalty is 1% of the amount withdrawn, but not more than the total amount of interest earned during the current term of the CD.
- For terms 24 months or more, the early withdrawal penalty is 2% of the amount withdrawn, but not more than the total amount of interest earned during the current term of the CD.

DEPOSIT ACCOUNT AGREEMENT

- If the withdrawal occurs less than 7 days after account opening or a previous withdrawal, the amount of the early withdrawal penalty will be calculated as we described above, but it cannot be less than 7 days' interest.
- The amount of your penalty will be deducted from principal.

For Business CDs:

- If the term of the CD is less than 365 days, the early withdrawal penalty is equal to \$25.00 plus 1% of the amount withdrawn.
- For terms of 365 days or more, the early withdrawal penalty is equal to \$25.00 plus 3% of the amount withdrawn.
- If the withdrawal occurs less than 7 days after account opening or a previous withdrawal, the amount of the early withdrawal penalty will be calculated as we described above, but it cannot be less than 7 days' interest.
- The amount of your penalty will be deducted from principal.

- **Waiving Early Withdrawal Penalties.** We will waive early withdrawal penalties in these circumstances:

For Personal CDs:

- Death of a CD owner or a grantor of a revocable family/living trust;
- Disability of a retirement CD owner;
- Court determination that a CD owner is incompetent;
- Re-titling of a CD (excluding a retirement CD) to transfer ownership of funds into a living trust without moving funds from the bank and where no change in term or rate occurs;
- For retirement CDs, if the owner is 59-1/2 or older and the funds are taken as an IRS-reportable distribution via cash, check, or deposit or transfer to a non-retirement account. This waiver does not apply if the transfer is to a retirement account at another financial institution;
- For retirement CDs, if the owner is revoking his or her Traditional IRA/Roth IRA within 7 days after establishing the plan (must forfeit accrued interest); and
- For retirement CDs, if the owner is withdrawing funds for one of the following reasons without moving funds from the bank and where no change in term or rate occurs:
 - Converting or reconverting Traditional IRA or SEP funds to a Roth IRA;
 - Recharacterizing Traditional IRA/SEP funds to a Roth IRA or vice versa; or
 - Directly rolling over funds in a Money Purchase Plan or Profit Sharing Plan to a Traditional IRA, SEP, or Roth IRA.

We will also waive early withdrawal penalties under the circumstances described below. However, if the withdrawal occurs less than 7 days after the account was opened or a previous withdrawal was made, the withdrawal penalty will apply. These circumstances are as follows:

- Disability of a CD (excluding Retirement CD) owner;
- For retirement CDs, if the owner is under age 59-1/2 and one of the reasons defined by sections 72(t) and 530 of the Internal Revenue Code applies, such as payment of qualified education expenses and first-time home purchase expenses; and
- For retirement CDs, if the owner is withdrawing an excess annual retirement contribution amount and any corresponding earnings.

For Business CDs:

- Death of a CD owner or a grantor of a revocable family/living trust;
- Court determination that a CD owner is incompetent;
- Re-titling of a CD to transfer ownership of funds into a living trust without moving funds from the bank and where no change in term or rate occurs.

We will also waive early withdrawal penalties under the circumstances described below. However, if the withdrawal occurs less than 7 days after the account was opened or a previous withdrawal was made, the withdrawal penalty will apply.

- Disability of a CD owner.

E. Statements, Notice of Errors, and Other Notices

1. Statements and Notices

We will send an account statement for checking and savings accounts to the current address listed on our records. We will send statements monthly, unless the product information for your account indicates otherwise. If there have been no deposits or withdrawals to your checking account within a 2-month period, or to your savings account or linked checking and savings accounts within a 30-month period, we may send only annual statements. Statements will be sent via ordinary U.S. mail, unless you and we agree otherwise. Statements are also available through online banking. For some accounts we may charge a Statement fee if you receive a paper statement.

We'll send only one statement or any other notice for any account, even if it has more than one owner. You agree that sending the statement or other notice to one owner qualifies as sending it to all owners, even if all owners don't have access to the mailing address of record for the account.

We may change your mailing address of record if we receive an address change notice from the U.S. Postal Service, or if we receive information from another party in the business of providing correct address information, that the address in our records no longer matches your address. If we do so, we'll notify you. If your statement or other notice is returned as undeliverable, we may discontinue mailing statements, but statements will be considered available to you on the day they are generated.

A "statement period" means the period covered by your account statement. If you receive a statement monthly, the monthly statement period may or may not be a calendar month, but in most cases it won't be more than 32 days or less than 28. If you receive a statement for any period other than monthly, a monthly statement period means a calendar month. The specific dates covered by your account statement will be on your statement.

2. Notice of errors, forgeries and unauthorized signatures

You must notify us in writing within 30 days after we mail a statement or otherwise make a statement available (for example, paperless statements) if:

- An item that you did not authorize or that is altered is listed on the statement;
- Your account statement contains any errors; or
- You did not receive your scheduled statement.

You must notify us in writing of any unauthorized, improper, or missing endorsements within 6 months after the account statement is mailed or made available.

You must provide us with all information we need to investigate the alleged error or item. You must also file any police reports and provide any supporting affidavits and testimony we reasonably request.

If you do not comply with the requirements above, we are not required to reimburse you for any claimed loss, and you cannot bring any legal claim against us in any way related to the item or errors. However, the Electronic Funds Transfer Services Terms section of this agreement applies to the reporting of errors on personal electronic funds transfers subject to Federal Reserve Board Regulation E. You also have certain rights under federal law for substitute checks; please see the Substitute Checks and Your Rights section of this agreement for more information.

3. Options for receiving checks

We offer three choices for how checks you've written or authorized can be delivered to you:

- "Check safekeeping" means we keep images of your checks, which are available through online banking. We do not include your paid checks or images of them with your statement. Some accounts require check safekeeping.
- "Image statement" means we only include images of the front of your paid checks with your statement.
- "Check enclosure" means we return legal copies of your checks with your account statement. (Not offered on all accounts.)

If you have more than one personal checking account on a single statement and one checking account uses check enclosure, all other checking accounts will use check safekeeping. If you have more than one business account on a single statement, you may choose check enclosure for multiple checking accounts. If you have more than one checking account on a single statement and any account uses image statement, then other checking accounts will also use image statement, unless the terms of the other accounts require check safekeeping.

DEPOSIT ACCOUNT AGREEMENT

You agree that when we keep a copy of the check we have made the check available to you, even if we do not send originals or images with the statement. If we do not return your paid checks, we may destroy original checks after a reasonable period of time we determine. We may charge you an Item Copy fee for each copy of a paid check you request, unless the law states otherwise. If for any reason we can't return a copy of your check or satisfy your needs in another way, you agree that we will not be liable for more than the face amount of the check.

We cannot provide originals or images of checks that are sent to us as electronic transfers. Additionally, other banks may send us electronic images instead of original checks. If you receive an image statement, in those cases the image will appear with other checks. We can provide a copy of the image, but not the original check.

F. Forms of Account Ownership

1. Personal accounts

NOTE: THE TYPE OF ACCOUNT OWNERSHIP MAY CHANGE HOW YOUR FUNDS ARE PAID IF YOU DIE, EVEN IF YOUR WILL STATES OTHERWISE. PLEASE CONSULT YOUR ESTATE PLANNING ADVISOR OR ATTORNEY ABOUT YOUR CHOICES.

If your account is a type listed under "Personal Accounts" in our product information, you agree not to use it for business purposes. Ownership of your account is determined by the most current signature card. However, we are authorized to rely on the account ownership information contained in our deposit system unless we are notified that the most current signature card and the deposit system contain different information.

i. Solely owned account

When only one individual is listed as the owner of an account, we will treat the account as a solely owned account.

ii. Joint accounts

When two or more people are listed as owners of a personal account, the account is a "joint account" and each owner is a "joint owner."

If your joint account becomes overdrawn, you're liable for the full amount of the overdraft, whether you initiated or benefited from the item(s) that caused the overdraft.

If one joint owner requests that we not pay items authorized by a different joint owner, we may restrict the account and refuse to pay all items (including items authorized by the owner making the request), but we are not required to do so. If we restrict the account, we may not release the restriction unless all joint owners agree in writing to remove it. No request to restrict the account will affect items that we paid before the request. If we decide not to restrict the account, all joint owners remain responsible for items subtracted from the account.

Any joint owner may close the account. We may choose whether or not to act upon other instructions of any joint owners, including adding an additional owner to the account, without the signature of the other joint owners. We may also pay all or any part of the funds in the account to a court or government agency if we receive a garnishment, levy or similar legal process that identifies any of the joint owners.

a. Joint account with rights of survivorship

If a joint account has rights of survivorship, and one joint owner dies, the account will be paid to the surviving joint owners. The estate of the deceased owner will have no rights to the account. If there is more than one surviving joint owners, the account will continue as a joint account with rights of survivorship among the remaining owners. If an account is designated "JAWROS" or "JTWROS," it has rights of survivorship.

b. Joint account with no right of survivorship (also called "tenants in common")

If a joint account does not have rights of survivorship, and one joint owner dies, that owner's interest passes to the owner's estate. Either the surviving joint owners or the deceased owner's estate may withdraw the funds at any time, and we have no responsibility for determining the respective interests of the owners. If an account is designated "Tenants in common" or "JTIC," it does not have rights of survivorship.

c. When survivorship rights apply

Except as otherwise stated in this paragraph, a joint account has rights of survivorship unless you clearly indicate on the signature card and in the account title that the account is created without these rights. Accounts in Louisiana do not have rights of survivorship. Accounts in Texas do not have rights of survivorship unless you clearly indicate on the signature card and in the account title that the account is created with these rights.

If a joint account also contains a “payable on death” or “in trust for” designation, the account always includes a right of survivorship and is payable to the beneficiary only upon the death of the last surviving owner, except as stated in paragraph d. below.

d. Marital account (WI only)

If one owner of a marital account dies, the survivor is entitled to 50% of the account funds and the estate of the deceased is entitled to the other 50%. If a marital account contains a POD designation, the POD beneficiary is entitled to the deceased spouse’s 50% share. However, we have no responsibility to determine the respective interests of the owner and the POD beneficiary.

e. Tenants by the entirety (FL only)

A Florida joint account owned solely by two spouses is a “tenants by the entirety” account unless the signature card indicates otherwise. We are not required to determine whether an account is a tenants by the entirety account before responding to a garnishment or other legal process. We may assert our right of setoff or security interest in a tenants by the entirety account in order to collect debts of either owner.

iii. “Payable on death” account

If you establish your account “payable on death” to one or more beneficiaries, the account is a “POD” account. If we receive proof you’ve died, we will pay the balance of the account to the beneficiary or beneficiaries you designate. Multiple beneficiaries will be paid in equal shares unless the signature card provides otherwise. We do not offer POD accounts in all states.

iv. “In trust for” (informal trust) account

If you establish your account as “in trust for” (“ITF”) or as trustee for one or more beneficiaries without presenting formal trust documents, we may treat the account as a “Totten Trust,” “informal trust,” or “ITF” account. If we receive proof you’ve died, we will pay the balance of the account to the beneficiary or beneficiaries you designate. Multiple beneficiaries will be paid in equal shares unless the signature card provides otherwise. We do not offer ITF accounts in all states.

v. Convenience account

If you have a “convenience” account, you are its sole owner, but you authorize an additional signer to write checks or authorize other items. You are solely responsible for the actions of the additional signer.

vi. Powers of attorney

If you wish to designate an agent under a power of attorney, you must do it in a form we deem acceptable. We may refuse to honor any power of attorney presented to us, or refuse to recognize a successor agent, even if the successor agent is named in a power of attorney that we have previously honored, unless state law requires otherwise. In addition, we may refuse to follow an agent’s instruction to make the agent a joint owner or a POD or ITF beneficiary of an account, but we have no liability to anyone if we do so. We may rely on a power of attorney until we receive written notice that it has been revoked either from you or as a matter of law (for example, by your death).

vii. Uniform Transfers to Minors Act/Uniform Gifts to Minors Act account

If you’re the custodian of an account under a state’s Uniform Transfers/ Gifts to Minors Act, you can’t pledge it as collateral for a personal loan to you, or cash checks against it.

viii. Representative payee/VA custodian account

If you open an account as a “representative payee” for someone who receives Social Security payments, or a legal custodian, spouse payee, or other custodian for someone who receives Veterans Administration payments, you agree not to permit any deposits in the account other than the designated payments. However, we are not required to determine whether you deposit other funds or whether any withdrawals or transfers from the account are for the support of the person for whose benefit the funds are paid. This person is called the beneficiary. If the beneficiary dies, you must promptly notify us and stop all further deposits to and withdrawals from the account. If the government demands that we return deposits made after the beneficiary’s death and the account does not have enough funds to pay the demand, we may take the funds from any account you or the beneficiary owns.

ix. Other fiduciary accounts

If you open an estate account, trust account, guardianship or conservatorship account, or other similar type of account, we reserve the right to require any documents we reasonably request to satisfy us that you

DEPOSIT ACCOUNT AGREEMENT

are authorized to open and use the account, including withdrawing the funds. We do not have to permit any withdrawal from the account until we receive all requested documents. We have no fiduciary duties to you as the trustee, executor, guardian, or conservator, or to the beneficial owners of the account.

2. Business accounts

If your account is a type listed under "Business Accounts" in our product information, you agree to use it for business purposes.

If our records list a business organization as the owner of an account, the account is payable to the business organization and not to any individual director, shareholder, member, or partner. A "business organization" means a corporation, unincorporated association, limited liability company, partnership (including a limited partnership, limited liability partnership, or joint venture), or any other business or non-profit organization. We may rely on the accuracy and completeness of all resolutions, signature cards, and other documents you deliver to us in connection with the account. If the resolutions, signature cards, or other documents you deliver state that a person is authorized to sign checks or otherwise initiate transactions on your account, that person is called a "signer."

If the account owner is a "sole proprietorship," that means that a single person conducts the business as his or her own property, instead of through a business organization. A sole proprietor may also designate signers by appropriate documents. We may in some states allow a married couple to open an account as a sole proprietorship.

If you change your form of ownership or authorized signers, you must notify us when the change occurs.

A signer is authorized to endorse checks payable to the business. Endorsements "for deposit" may be written or stamped. An eligible signer is also authorized to sign checks drawn against your account. We are authorized to pay checks without asking how the checks were issued or how the proceeds will be used, even if the check is payable to the person who signed the check.

An eligible signer is authorized to instruct us to close accounts or do anything else involving any account, and to sign any agreements or documents relating to accounts or other business.

We may, although we are not required to, cash checks payable to – or accept "less cash" deposits from – a business organization.

3. Linked accounts

We will let you, at our discretion, link many checking accounts to other accounts you have with us or our affiliates. Linked accounts may help you avoid some fees and get higher interest rates. An account may only be linked to one checking account for avoiding fees and getting higher interest rates. Refer to your product information to determine what accounts are eligible to be linked and what the benefits are from linking accounts.

We may automatically link accounts. If we don't, you may ask to have your accounts linked. You agree that information regarding your account may be made available to any other owner or signer on any of the accounts you have linked.

If you choose to link your personal or business accounts to other personal or business accounts for which you serve as trustee or custodian (fiduciary), your personal account may receive a financial benefit, which could be a violation of your fiduciary duties. We are not responsible for your decision to link fiduciary and personal accounts. You should carefully consider this decision and consult with your legal advisor if necessary.

4. Combined statements

Checking, savings, and CD accounts with at least one common owner may be combined on a single statement, either automatically or at your request. If accounts are included on a combined statement and you don't want that, notify us and we'll separate the statements.

Linked accounts do not have to be on a combined statement to receive the benefits of linking, and combining accounts on a single statement does not mean that the accounts are linked.

You agree that information regarding your account may be made available to any other owner on any of the accounts included on a combined statement.

G. Interest on Checking and Savings Accounts

When you open a checking or savings account that pays interest, we will provide you a rate sheet stating the current interest rate and Annual Percentage Yield for your account. The rate sheet is considered a part of this agreement.

Your account has a variable interest rate. That means we may change the interest rate and Annual Percentage Yield as often as we choose, without limits and without notice. Interest begins to accrue on the

business day we receive credit for your deposit. For cash and electronic transfers, interest begins to accrue on the business day of your deposit.

We use the daily balance method for calculating interest. This method applies a daily periodic rate to the balance in your account each day, which may be based on collected or ledger balances as set forth in the product information for your account. The collected balance is the balance of all deposits in your account on which we have received credit for the deposited funds (determined by the availability schedule of our Federal Reserve Bank for non-cash items). The ledger balance is the balance in your account without regard to credit or availability. We reserve the right not to pay interest on any deposited item that is returned to us unpaid.

Interest is credited and compounded monthly. However, Chase Retirement Money Market accounts with interest distributions will not compound, and interest will be credited on the distribution date. Unless otherwise stated in your product disclosure, interest is computed on a 365-day basis. We pay interest only in whole cents. Therefore, at the end of each interest payment period (usually monthly), any fractional amount of interest less than half of one cent will be rounded down and any fractional amount of interest equal to half of one cent or more will be rounded up to the next whole cent.

H. Closing Your Account

Either you or we may close your account (other than a CD) at any time for any reason or no reason. We may automatically close your account if the account balance is \$0 or negative. Any closed account may be automatically reopened if we receive a deposit to the account. Either you or we may close your CD account on any maturity date without cause.

We may send you written notice that we have closed or will close your account and return the account balance less any fees, claims, setoffs, or other amounts if the balance is greater than \$1. After your account is closed, we have no obligation to accept deposits or pay any outstanding checks. We will have no liability for refusing to honor any check drawn on a closed account. We have the right to advise consumer reporting agencies and other third party reporting agencies of accounts closed for misuse, such as kiting or overdrafts.

I. Other Legal Terms

1. Telephone and electronic communication

We may record and/or monitor any of our telephone conversations with you. If we do record, we do not have to keep the recordings, unless the law says we must.

If you give us your cell phone number as a contact number for your accounts, you agree that we may send messages to that number via text or by calling it, including autodialed or prerecorded calls.

Communications may be sent electronically, such as e-mail or text messages, rather than via U.S. mail or other means, unless the law says otherwise.

2. Adverse claims

We may (but are not required to) restrict or close your account if there are conflicting instructions or there is an account dispute. We may place funds in a court (this is called an interpleader action) for resolution. If any person notifies us of a dispute, we do not have to decide if the dispute has merit before we take further action. We may take these actions without any liability and without advance notice, unless the law says otherwise.

3. Restricting your account

We may restrict your account if it's involved in any legal or administrative proceeding or if we reasonably believe that doing so is necessary to avoid a loss.

4. No waiver

If we fail to exercise any right, that failure will not waive that right or any other right, and we may still enforce all of our rights in the future.

5. Changes to the agreement

We may change the terms of this agreement, including any fees and features of your account, at any time. We will tell you about changes at least 30 calendar days in advance. However, unless the law requires us to send you notice in a different way, the notice may direct you to a branch or our website for the content of any changes or a copy of the revised agreement. For automatically renewable CDs, we will tell you before the renewal date and changes will be effective on the renewal date. You agree that notice of these changes may be provided to any joint owner. By maintaining your account after the effective date of any change, you agree to the change. We are not required to send you notice of interest rate and Annual Percentage Yield changes

DEPOSIT ACCOUNT AGREEMENT

for variable rate accounts or notice of changes in document printing fees.

This agreement may be changed or terminated without notice if necessary to comply with any appropriate federal or state law or regulation.

6. Rules governing your account

This agreement, all accounts and services provided to you, and any dispute relating to those accounts and services are governed by federal law and, when not superseded by federal law, the law of the state where your account is located. Your account is considered located in the following state:

- If you opened your account in person, the U.S. state where you opened the account;
- If you opened your account by mail, internet, or other remote means and you resided in a U.S. state where we had branch offices at that time, the state where you resided; or
- If you opened your account by mail, internet, or other remote means and you did not reside in a U.S. state where we had offices at that time, Ohio.

Transactions in your account are also subject to applicable clearinghouse and Federal Reserve rules and regulations.

We will not be liable for anything we do in following your instructions. In addition, we will not be liable for not following your instructions if we reasonably believe that your instructions would expose us to potential loss or civil or criminal liability, or conflict with customary banking practices. **WE WILL NOT BE LIABLE FOR INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES REGARDLESS OF THE FORM OF ACTION AND EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IF WE FAIL TO STOP PAYMENT ON AN ITEM, OR PAY AN ITEM BEARING AN UNAUTHORIZED SIGNATURE, FORGED SIGNATURE, OR FORGED ENDORSEMENT OR ALTERATION, OUR LIABILITY, IF ANY, WILL BE LIMITED TO THE FACE AMOUNT OF THE ITEM.**

If this agreement conflicts with any statements made by one of our employees or our affiliates' employees, this agreement will control.

7. Sub-accounts

For accounting purposes, all checking accounts consist of two sub-accounts: i) a transaction sub-account where all deposits, withdrawals, and fees are posted, and ii) a holding sub-account, where available balances above a certain level are transferred daily. Funds will be retransferred to your transaction sub-account to meet your transactional needs; however, all balances in the holding sub-account will be transferred to the transaction sub-account with the sixth transfer in any calendar month or monthly statement period.

Both sub-accounts are treated as a single account for purposes of your deposits and withdrawals, earning interest, access and information, tax reporting, fees, etc.

8. Research, legal process and requests for information

If we receive any legal process relating to you or your account, you authorize us to comply with it. "Legal process" means any document that appears to have the force of law that requires us to hold or pay out funds from your account, including a garnishment, attachment, execution, levy, or similar order. We do not have to determine whether the legal process was validly issued or enforceable. As permitted by law, we will charge your account a Legal Processing fee or costs and expenses we incur in complying with the order, or both.

If any action, including administrative proceedings, garnishment, tax levies, restraining orders, or another action is brought against you or your account, you will be liable to us for any loss, cost, or expense (including attorneys' fees) resulting from our compliance with any legal process.

If we receive any subpoena, court order, or request for information or documents relating to your account from a governmental entity or arbitration panel, we are authorized to comply with it. If we are required to answer a subpoena or similar order requesting records of your account, we may charge you a Research fee, less any amount we are paid by the person issuing the subpoena before we deliver our response.

9. Permitted time for filing a lawsuit

You must file any lawsuit or arbitration against us within 2 years after the cause of action arises, unless state law or an applicable agreement provides for a shorter time. This limit is in addition to limits on notice as a condition to making a claim, as described in Section E.2 above. If applicable state law does not permit contractual shortening of the time during which a lawsuit must be filed to a period as short as 2 years, you and we agree to the shortest permitted time under that state's laws.

We abide by federal and applicable state record retention laws and may dispose of any records that have been retained or preserved for the period set forth in these laws. Any action against us must be brought within

the period that the law requires us to preserve records, unless applicable law or this agreement provides a shorter limitation period. Any action against us on an automatically renewable CD must be brought within the time that the law requires us to preserve records based on the stated maturity date in the most recent record of the CD.

10. Location of legal proceedings

If you file any lawsuit or other legal proceeding against us that's connected in any way to your accounts or services, you agree to do so in an appropriate court in the state where your account is located (see section 1.6 above). In addition, if we file any lawsuit or legal proceeding that is connected in any way to your accounts or services, you consent to jurisdiction and venue in an appropriate court in the state where your account is located. If either party chooses to have disputes determined under the section entitled "Arbitration," that section rather than this section governs the process and location of the arbitration proceedings.

11. Pre-judgment interest rate

If either you or we are awarded a judgment against the other in connection with your account, the rate of interest earned before judgment on the judgment amount will be the rate of interest the account earned during that period unless state law requires a different rate. If the account is not interest-bearing, the rate will be the lowest generally available rate for a personal interest-bearing checking account.

12. Arbitration

You and we agree that upon the election of either of us, any dispute relating in any way to your account or transactions will be resolved by binding arbitration as discussed below, and not through litigation in any court (except for matters in small claims court). This arbitration agreement is entered into pursuant to the Federal Arbitration Act, 9 U.S.C. §§ 1-16 ("FAA").

YOU HAVE A RIGHT TO OPT OUT OF THIS AGREEMENT TO ARBITRATE, AS DISCUSSED BELOW. UNLESS YOU OPT OUT OF ARBITRATION, YOU AND WE ARE WAIVING THE RIGHT TO HAVE OUR DISPUTE HEARD BEFORE A JUDGE OR JURY, OR OTHERWISE TO BE DECIDED BY A COURT OR GOVERNMENT TRIBUNAL. YOU AND WE ALSO WAIVE ANY ABILITY TO ASSERT OR PARTICIPATE ON A CLASS OR REPRESENTATIVE BASIS IN COURT OR IN ARBITRATION. ALL DISPUTES, EXCEPT AS STATED BELOW, MUST BE RESOLVED BY BINDING ARBITRATION WHEN EITHER YOU OR WE REQUEST IT.

What claims or disputes are subject to arbitration?

Claims or disputes between you and us about your deposit account, transactions involving your deposit account, safe deposit box, and any related service with us are subject to arbitration. Any claims or disputes arising from or relating to this agreement, any prior account agreement between us, or the advertising, the application for, or the approval or establishment of your account are also included. Claims are subject to arbitration, regardless of what theory they are based on or whether they seek legal or equitable remedies. Arbitration applies to any and all such claims or disputes, whether they arose in the past, may currently exist, or may arise in the future. All such claims or disputes are referred to in this agreement as "Claims."

The only exception to arbitration of Claims is that both you and we have the right to pursue a Claim in a small claims court instead of arbitration, if the Claim is in that court's jurisdiction and proceeds on an individual basis.

Can I (the customer) cancel or opt out of this agreement to arbitrate?

You have the right to opt out of this agreement to arbitrate if you tell us within 60 days of opening your account. If you want to opt out, call us at 1-800-935-9935, or see a banker. Otherwise this agreement to arbitrate will apply without limitation, regardless of whether 1) your account is closed; 2) you pay us in full any outstanding debt you owe; or 3) you file for bankruptcy.

What about class actions or representative actions?

Claims in arbitration will proceed on an individual basis, on behalf of the named parties only. YOU AND WE AGREE NOT TO:

- 1) SEEK TO PROCEED ON ANY CLAIM IN ARBITRATION AS A CLASS CLAIM OR CLASS ACTION OR OTHER COMPARABLE REPRESENTATIVE PROCEEDING;
- 2) SEEK TO CONSOLIDATE IN ARBITRATION ANY CLAIMS INVOLVING SEPARATE CLAIMANTS (EXCEPT FOR CLAIMANTS WHO ARE ON THE SAME ACCOUNT), UNLESS ALL PARTIES AGREE;

DEPOSIT ACCOUNT AGREEMENT

- 3) BE PART OF, OR BE REPRESENTED IN, ANY CLASS ACTION OR OTHER REPRESENTATIVE ACTION BROUGHT BY ANYONE ELSE; NOR
- 4) SEEK ANY AWARD OR REMEDY IN ARBITRATION AGAINST OR ON BEHALF OF ANYONE WHO IS NOT A NAMED PARTY TO THE ARBITRATION.

If these terms relating to class or representative procedures are legally unenforceable for any reason with respect to a Claim, then this agreement to arbitrate will be inapplicable to that Claim, and the Claim will instead be handled through litigation in court rather than by arbitration. No arbitrator shall have authority to entertain any Claim on behalf of a person who is not a named party, nor shall any arbitrator have authority to make any award for the benefit of, or against, any person who is not a named party.

Does arbitration apply to Claims involving third parties?

Arbitration applies whenever there is a Claim between you and us. If a third party is also involved in a Claim between you and us, then the Claim will be decided with respect to the third party in arbitration as well, and it must be named as a party in accordance with the rules of procedure governing the arbitration. No award or relief will be granted by the arbitrator except on behalf of, or against, a named party. For purposes of arbitration, "you" includes any person who is listed on your account, and "we" includes JPMorgan Chase Bank, N.A., all its affiliates, and all third parties who are regarded as agents or representatives of ours in connection with a Claim. (If we assign your account to an unaffiliated third party, then "we" includes that third party.)

The arbitration may not be consolidated with any other arbitration proceeding.

How does arbitration work?

The party filing a Claim in arbitration must select either: JAMS or the American Arbitration Association ("AAA") as the arbitration administrator. That organization will apply its code of procedures in effect at the time the arbitration claim is filed. If there is a conflict between that code of procedures and this arbitration provision and/or this agreement, this arbitration provision and this agreement will control. In the event that JAMS or the AAA is unable to handle the Claim for any reason, then the matter shall be arbitrated instead by a neutral arbitrator selected by agreement of the parties (or, if the parties cannot agree, selected by a court in accordance with the FAA), pursuant to the AAA rules of procedure.

The arbitrator will decide the Claim in accordance with all applicable law, including recognized principles of equity and statutes of limitations, and will honor all claims of privilege recognized by law. The arbitrator will have the power to award to a party any damages or other relief provided for under applicable law. A single arbitrator will conduct the arbitration and will use applicable substantive law, including the Uniform Commercial Code, consistent with the FAA and the applicable statutes of limitations or conditions precedent to suit, and will honor claims of privilege recognized at law. The arbitrator can award damages or other relief provided for by law to you or us, but not to anyone else. The arbitrator's authority is limited to the Claims between you and us.

Is the arbitrator's decision final? Is there an appeal process?

The arbitrator's decision will be final and binding on the parties. A party can file a written appeal to the arbitration administrator within 30 days of award issuance. The appeal must request a new arbitration in front of three neutral arbitrators designated by the same arbitration administrators. The panel will reconsider all factual and legal issues, following the same rules of procedure, and will make decisions based on majority vote. Any final arbitration award will be binding on the named parties and enforceable by any court having jurisdiction.

Who will pay for costs?

We will pay any costs that are required to be paid by us under the arbitration administrator's rules of procedure. Even if not otherwise required, we will reimburse you up to \$500 for any initial arbitration filing fees you have paid. We will also pay any fees of the arbitrator and arbitration administrator for the first two days of any hearing. If you win the arbitration, we will reimburse you for any fees you paid to the arbitration organization and/or arbitrator. All other fees will be allocated according to the arbitration administrator's rules and applicable law. If you consider that you are unable to afford any fees that would be yours to pay, you may request that we pay or reimburse them, and we will consider your request in good faith.

How do I (the customer) file an arbitration claim?

Rules and forms may be obtained from, and Claims may be filed with, JAMS at 620 Eighth Avenue, 34th Floor, New York, New York 10018, or jamsadr.com; or the AAA at 335 Madison Avenue, Floor 10, New York, New York 10017, or www.adr.org. Arbitration hearings will take place in the federal judicial district that includes your address at the time the Claim is filed, unless the parties agree to a different place.

13. Assignment of agreement and successors

This agreement will be binding on your personal representative, executors, administrators, and successors, and on our successors and assigns.

You may not grant a security interest in, transfer, or assign your account to anyone other than us without our written consent. No assignment will be valid or binding on us, and we won't be considered to have "knowledge" of it, until we consent and the assignment is noted in our records. However, by noting the assignment, we do not have any responsibility to assure that the assignment is valid. Any permitted assignment of your account is subject to our setoff rights.

14. Authorization to share information

You authorize us to share information about you and your account with affiliates and third parties, unless the law or our Privacy Notice prohibits us from doing so. Please see our Privacy Notice for your choices about information sharing.

15. Referrals

If you request it, our employees may at times provide contact information about third parties, such as lawyers, accountants, or contractors, who offer products or services to the public. Some of these third parties may be our customers. We provide this information only as a courtesy and convenience to you and the third party, but in some cases we may be compensated for a referral. We do not make any warranties or representations about the third parties or their products or services. If you choose to do business with any third party, that decision is yours alone, and we are not responsible for the third party's performance or to help resolve any dispute between you and the third party. Our employees may also receive compensation when you purchase a Chase product based on their referral.

16. Illegal activities

You will not use your account to conduct transactions relating to unlawful internet gambling or any other illegal activity. We may refuse any gambling transaction, whether lawful or not. We may also refuse any transaction that we reasonably believe may involve illegal or suspicious activity.

17. Inactive and unclaimed accounts

Each state has laws that govern when accounts are considered inactive or unclaimed, and when we're required to send a customer's funds to the state. We encourage you to make sure your accounts remain active so you receive regular statements, have the full use of your accounts, and avoid the potential of having your funds transferred to the state as unclaimed property. We'll send you a letter in advance if your funds may be transferred to the state as unclaimed property.

18. Personal information at account opening

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or business that opens an account.

- When you open a personal account, we will ask for your name, residential address, date of birth, and Social Security number, which will allow us to verify your identity. We may also ask to see your driver's license and other identifying documents, or ask other questions to verify your identity.
- When you open a business account, we'll ask for your business name, taxpayer identification number, and business address so we can verify your business. We'll also ask for your name, residential address, date of birth and Social Security number, so we can verify your identity. We may also ask for documents to verify the business's existence.

We may also obtain additional information to comply with "Know Your Customer" requirements or to offer you additional products and services.

19. English language – Other language preferences

The terms of this agreement and the products and services we provide are governed by the English language. As a courtesy, we make some of our forms, disclosures, and documents, including this agreement, available in languages other than English. However, many important bank documents, and some products and services related to this account, are only provided in English. If there is any difference in meaning between the English and non-English version of any of our documents, the English version will apply to your accounts and is available upon request.

DEPOSIT ACCOUNT AGREEMENT

SUBSTITUTE CHECKS AND YOUR RIGHTS

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 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 your rights as a consumer 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, Insufficient Funds 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 receive your claim and the remainder of your refund (plus interest if your account earns interest) no later than 45 calendar days after we receive 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 you 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 the phone numbers listed on the back cover.

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 you 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
- The following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, and the amount of the check.

ELECTRONIC FUNDS TRANSFER SERVICE TERMS

We provide a variety of electronic funds transfer (EFT) deposit account services. These include all transfers resulting from debit cards, ATM cards, electronic payments, credits and transfers, telephone transfers, and online banking transactions. We may issue you an access device, such as a card, code, or other means of accessing your account to initiate EFTs. Our business days for conducting EFT services are all days except Saturdays, Sundays, and federal holidays.

A. TYPES OF EFT SERVICES

1. ATM and Debit Cards

As a condition of opening certain checking accounts, you agree that we may automatically issue you a Chase debit card. However, activating the debit card is not required to keep your checking account open. If you do not select a personal identification number (PIN) when you open your account, we will send you a randomly generated four-digit PIN. We may deactivate any temporary ATM card when you activate your debit card.

You can use your ATM card or debit card (either is called a "Card") as follows:

At ATMs to:

- Withdraw cash;
- Transfer funds;
- Find out balances;
- Make deposits;*
- Make payments to qualifying Chase credit cards and loans;*
- Obtain a copy of recent account activity.*

Please note: Services marked with an asterisk (*) are only available at Chase-branded ATMs, and all services may not be available at all Chase-branded ATMs. Services are available only for designated accounts linked to your Card. When linking multiple accounts to your Card, one checking account and one savings account will be designated as primary.

We also offer a Deposit-only Business ATM Card that can be used only to make deposits to your designated checking and savings accounts.

A non-Chase ATM may only be used if in a participating network, and on those networks your primary checking and savings accounts are accessible, and other linked accounts may be accessible. Outside the U.S., only your primary checking account is generally accessible. We may charge a Non-Chase ATM fee. For transactions performed by the same card at the same terminal within a 15 minute time period, balance inquiries and account transfers will not incur a fee if done in conjunction with a withdrawal. If only transfers and inquiries are performed, only one non-Chase ATM fee will be charged. In addition, non-Chase ATMs may impose an additional charge. If you have questions regarding whether a certain ATM or EFT network will process a transaction, call or write us.

At participating merchants to:

- Purchase goods and services. Purchases are subtracted from your primary checking account. If you have arranged with your merchant to pay for your purchases via periodic payments, you must notify the merchant if your card number or expiration date has changed or your Card or account is closed. In addition, we may provide the merchant or the participating network your new account number or expiration date (or both).
- Withdraw cash from your primary checking account while making a purchase of goods or services if permitted by the merchant.

At participating financial institutions to:

- Obtain a teller cash withdrawal. Withdrawals are subtracted from your primary checking account. You will be charged a Non-ATM Cash fee.

DEPOSIT ACCOUNT AGREEMENT

2. Payments, Credits, and Transfers

You can send or receive electronic transfers from or to your accounts. We may do this by ACH (as a member of a national or local automated clearinghouse association) or other similar networks. Electronic transfers may take various forms, such as:

- Automatic electronic deposits to your account, such as payroll or benefits payments;
- Automatic one-time or repeating charges to your account for bill payments, sent by a merchant or other payee with your authorization. The merchant or payee may ask you for bank number and account information from your check or a canceled check to create these orders;
- A “check conversion” transfer, where a merchant or other payee uses a check that you have written to create an electronic transfer from your account. The merchant may either keep the check you wrote or return it to you.

3. Online Banking and Mobile Banking

You may use online banking or Mobile Banking to view your account information, make deposits, transfer funds between your Chase accounts, pay qualifying Chase loans or credit cards, or make payments from your checking account to third parties. Enroll for these services on our website, www.chase.com. You must agree to the additional disclosures and specific terms for using the online banking services provided when you enroll.

4. Telephone Banking

You may use our automated customer service system or speak to a telephone banker to get your account information, transfer funds between your accounts with us, or pay qualifying Chase loans or credit cards. You must have a valid deposit or loan account and a valid password or PIN to use the automated system. Business account holders may also use a valid taxpayer identification number (TIN).

5. Overdraft Protection Transfers

Transfers to and from your accounts for Overdraft Protection are also subject to these terms.

B. IMPORTANT INFORMATION AND AGREEMENTS ABOUT YOUR ATM OR DEBIT CARD

1. Authorizations

Most merchants ask us to authorize your purchase. We may authorize or refuse to authorize a transaction based on a different amount than the authorization request, because some merchants (such as “pay at the pump” for fuel) request authorization for an amount that is unrelated to the actual amount of the purchase.

2. Holds

When we give authorization to a merchant, we will reserve or place a hold on funds in your account, generally for 3 business days, to pay for your purchase. However, for some types of purchases we may place a hold for a longer period. There are times – for example, at restaurants or for gas purchases, car rentals or hotels – that merchants won’t know the exact amount of your purchase when they request the authorization. If the authorization is more or less than your actual purchase amount, the hold may remain even after your purchase amount is paid from your account. The purchase amount will be paid from your account whenever the merchant sends it to us, even if that is after the hold has expired.

3. Overdrafts

For personal accounts, unless you have notified us that you DO want us to pay debit card overdrafts at our discretion, we generally won’t authorize a non-repeating (“everyday”) debit card transaction if your available account balance isn’t enough to pay that transaction. If a transaction overdraws your account, we will assess fees described in the General Account Terms and the fee schedule.

We will charge a fee for any item presented on a business day when your account is overdrawn, whether we pay the item or not. If we pay it, we will charge an Insufficient Funds fee. If we return it, we will charge a Returned Item fee. For personal accounts, we will only charge an Insufficient Funds fee for an everyday debit card transaction if you have notified us to pay debit card overdrafts. For business accounts, we will charge an Insufficient Funds fee for an everyday debit card transaction unless you have notified us not to pay debit card overdrafts.

4. Returning or Canceling Your Card

You must return the Card if we request that you do so. We may cancel your Card at any time without notice. You may cancel your Card by calling us. If you do, please destroy the Card.

5. Our Right to Refuse Transactions

We can refuse to authorize any transaction when your Card has been reported lost or stolen or when we reasonably believe there is potentially fraudulent, suspicious, or illegal activity on your account.

6. Foreign Exchange Transactions

The exchange rate applied to Card transactions that occur in a different currency will be either:

- a rate selected by the network that processes the transaction from the range of rates available in wholesale currency markets for the date it processes the transaction (this rate may be different than the rate the network receives); or
- the government-mandated rate in effect for the date the network processes the transaction.

This exchange rate may differ from the rate on the date you used your Card. We will add an Exchange Rate Adjustment fee to the amount the network charged us for foreign currency transactions.

7. Debit or Credit?

A merchant may ask you if your debit card purchase is "Debit or Credit." You have two choices. In both instances your purchase will be subtracted directly from your checking account.

- **If you choose debit:** Select "Debit" or "ATM," and you must enter your PIN.
- **If you choose credit:** Select "Credit" and sign the receipt if required. For some small dollar purchases and when you pay at the gas pump, you may not need to provide a signature.

8. ATM Safety and Safeguarding Your Account Information

Be safe at ATMs – Your safety is our chief concern. We advise you to always use common sense and be aware of your surroundings before, during and after any ATM use. Here are some additional tips:

- Choose an ATM that is well lit.
- If an ATM looks unusual or altered, don't use it. If you suspect the ATM isn't working properly, cancel the transaction and find another machine.
- At a walk-up ATM, minimize transaction time by having your Card ready to use. At a drive-up ATM, keep your car engine running and lock your doors.
- Stand between the ATM and anyone waiting to use the machine, so others can't see your PIN or the transaction amount.
- As soon as your transaction is complete, remember to remove your Card from the ATM, and then put away your money, receipt, and Card.
- Contact the police or a security officer if you see any suspicious activity at the ATM. If you think you're being followed from an ATM, go to a busy area and immediately contact the police.

Keep your debit or ATM Card PIN confidential – Never give your PIN to anyone, don't write it down anywhere, and avoid carrying it with you. In addition, to keep your Card information safe, you should do the following:

- Change your PIN from time to time and choose a PIN that others can't easily figure out. For example, don't use your birthday or telephone number.
- To change your PIN (or if you forget your PIN), visit any branch.
- A Chase employee will never ask you for your PIN or the numbers on the back of your Card.

Protect your Card as you would a credit card or cash.

Report a lost or stolen Card immediately – You must notify us immediately if your Card is lost or stolen, or if you discover any other error. The sooner you report a problem, the sooner we can take precautions to ensure your Card isn't misused.

DEPOSIT ACCOUNT AGREEMENT

C. LIMITATIONS ON TRANSFERS, AMOUNTS, AND FREQUENCY OF TRANSACTIONS

- To protect your accounts, there are daily dollar limits for ATM withdrawals and Card purchases, even if your available balance is higher than the daily dollar limit. However, we may allow transactions that exceed your limit. Your Card limits were provided to you when you received your Card. We may change your limits, and will notify you if we do so. If you don't know your limits or would like to change these limits, please call us. If we suspect fraud on your account, we may temporarily lower your limits without notice.
- Withdrawals from your savings account are limited. For further information, see the section entitled "Limits on savings account withdrawals" in the General Account Terms.
- Card access to your account will be suspended if we consider your account to be inactive or dormant, and may be suspended if we suspect that your Card may have fraudulent activity or for any other reason where we believe there is a risk to you or us.

D. RECEIPTS AND STATEMENTS

You will receive or have the option to receive a receipt at ATMs and merchant locations each time you make a transaction, except for certain small dollar transactions.

You will receive monthly statements if you have an electronic funds transfer in that month. If you do not, you will receive at least quarterly statements, unless your account is considered inactive.

If you receive direct deposits to your account, you can use online banking or an ATM, or call us at the telephone number on the back cover to determine if the deposit has been made.

E. IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS

Call or write us at the telephone number or address on the back cover if you think your statement or receipt is wrong, or if you need more information about a transaction listed on the statement or receipt.

For personal accounts only, the following procedures apply:

We must hear from you NO LATER than 60 days after we sent you the FIRST statement on which the error appeared. Please provide us with the following:

- Your name and account number;
- A description of the error or the transfer you are unsure about, and an explanation why you believe it is an error or want more information;
- The dollar amount of the suspected error.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. However, if we need more time, we may take up to 45 days to investigate your complaint or question. If we do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If your account was opened less than 30 days prior to the date of the suspected error, the 10-business-day period is extended to 20 business days. If your account was opened less than 30 days prior to the date of the suspected error or the transaction occurred at a point-of-sale location or outside the U.S., the 45-day period is extended to 90 days.

If you call us, we may require that you send us your complaint or question in writing within 10 business days. If we do so and do not receive it within 10 business days, we may not credit your account.

We will tell you the results within 3 business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

For business accounts, our practice is to follow the procedures described above, but we are not legally required to do so.

F. OUR LIABILITY FOR FAILURE TO COMPLETE TRANSACTIONS

If we do not complete a transaction from your personal account on time or in the correct amount, we will be liable for your losses or damages. But there are exceptions. For example, we will not be responsible if:

- Due to no fault of ours, your account does not have sufficient funds to make the transaction;
- The ATM where you are making a withdrawal does not have enough cash;
- The ATM was not working properly and you knew about the breakdown when you started the transaction;
- Circumstances beyond our control (such as fire or flood) prevent the transaction and we took reasonable precautions;

- For preauthorized credits, third party data was not received, is incomplete or erroneous, or if the recipient is deceased;
- We consider your account to be inactive or dormant.

We are not liable for failure to complete a transaction on a business account if we send you notice that the transaction was not completed.

G. STOP PAYMENT FOR PREAUTHORIZED (REPEATING) TRANSFERS

If you have arranged, in advance, to make repeating payments out of your personal account, you can stop any of those payments.

1. Please visit your local Chase branch or call us at the telephone number listed on the back cover. (Note: If the preauthorized transfer was scheduled through our online banking services, see your Online Service Agreement or call Online Banking Customer Service at the telephone number on the back cover for information on stopping payments that are pending or in process.)
2. You must tell us if the payment is a recurring debit card transaction or an ACH payment and must give us the bank account number, the exact amount of the payment, and the designated payee name. You also must notify the payee that you have withdrawn your authorization for the repeating electronic payments. If you see that a payment for a different amount or for a different payee than the stop payment you originally placed is listed as a "Pending" transaction, contact us before the end of the business day, so that we may attempt to stop the payment of the transaction. Please Note: If you see a pending ACH transaction(s) and you have not already placed a Stop Payment request for that amount and payee, you may request a stop payment for that item as long as the request is made before the end of the business day and the item has not posted to your account.
3. Generally, upon receipt of the stop payment instructions, your request will be processed immediately.
4. Your stop payment is effective for a minimum of 18 months or until we have determined that the ACH transaction is no longer occurring, whichever is longer.
5. A Stop Payment fee may apply.

If these regular payments vary in amount, the payee will tell you, 10 days before each payment, when it will be made and how much it will be. You may choose to get this notice from your payee 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.

If you place a stop payment three or more business days before the transfer is scheduled, and we still pay, we will be responsible for your losses or damages.

H. DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

Information about your account or the transfers you made will be disclosed to third parties:

- As necessary to complete transactions;
- In connection with the investigation of any claim you initiate;
- To comply with government agency, arbitration or court orders;
- With your written permission;
- As permitted by our Privacy Notice.

Our Privacy Notice was delivered to you at the time your account was opened. It is also available on www.chase.com.

I. NOTICE OF YOUR RIGHTS AND LIABILITIES

For personal accounts only:

Tell us AT ONCE if you believe your Card, PIN, or code has been lost or stolen. Calling us is the best and fastest way of keeping your possible losses to a minimum. If you tell us within two business days, you can lose no more than \$50.00 if someone used your Card, PIN, or code without your permission. If you do NOT tell us within two business days after you learn of the loss or theft of your Card, PIN, or code and we can prove we could have stopped the unauthorized transactions if you had told us, you could lose as much as \$500.00. If your statement shows electronic funds transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was sent to you, you may not get back any money you lost

DEPOSIT ACCOUNT AGREEMENT

after the 60 days if we can prove that we could have prevented the transactions 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, let us know. We will extend the time periods.

Special Provisions for Card Transactions (Zero Liability protection):

If your Card is lost or stolen, or your Card number is used without your authorization, if you notify us promptly, you are not liable for any unauthorized transactions, including transactions made at merchants, over the telephone, at ATMs, or on the Internet.

However, these special provisions do not apply where you were grossly negligent or fraudulent in the handling of your account or Card, where you have given someone else your Card, Card number, or PIN, or where you delay reporting unauthorized transactions for more than 60 days.

For business accounts only: You agree

1. To assist us in the investigation and prosecution of claims for unauthorized transactions by completing the appropriate statements and reports reasonably requested by us;
2. To notify us promptly in writing of any user of a Card who is no longer employed by you or authorized to conduct business on your behalf;
3. That by allowing anyone to use your Card, you will be responsible for all authorized and unauthorized transactions made;
4. That all of the provisions of the Deposit Account Agreement, including liability limitations and requirements that you give us prompt notice of unauthorized items, apply to your EFT services.

J. FEES

Fees for all EFT services are disclosed in our fee schedule and product information.

K. SERVICES NOT COVERED BY THIS PART; SEPARATE AGREEMENTS

For personal accounts, EFT services described in these Electronic Funds Transfer Service Terms do not include wire transfers or other transactions that are not covered by Federal Reserve Board Regulation E.

For business accounts, wire transfers and other services not specifically described in this disclosure are governed by the General Account Terms or by separate agreements.

ACCOUNT ALERTS AND CHASE MOBILE®

If you receive or otherwise use Account Alerts or Chase Mobile, you agree to the following terms. If you are enrolled in online banking, the terms of the Online Service Agreement control the terms of these services instead.

- We may use a telephone number, e-mail address, or other delivery location we have in our records for you or such other contact information as you may provide to us for these services so we can send you certain information about your account.
- We will send Account Alerts or Chase Mobile messages through your communication service provider, who will act as your agent and deliver them to you. Delivery of alerts may be delayed for various reasons, including service outages affecting your phone, wireless, or Internet provider; technology failures; and system capacity limitations.
- There is no charge from Chase for the Account Alerts or Chase Mobile, but **message and data rates may apply. Such charges include those from your communication service provider.** Message frequency depends on user preferences. **To cancel the Chase Mobile text messaging services, send STOP to 24273 at any time.** For help or information on the Chase Mobile text messaging services, send HELP to 24273. For assistance with these services, contact customer service at 1-877-242-7372.
- Account Alerts and Chase Mobile are provided for your convenience and do not replace your monthly account statements, which are the official records of your accounts. Anytime you review your balance, keep in mind it may not reflect all transactions, including recent debit card transactions or checks you have written.
- You understand we may not encrypt information when it is sent to you through these services. This information may include personal or confidential information about you, such as account activity or the status of your account. For phone Account Alerts, information may be delivered to voicemail or answering machines if nobody answers the phone.

You understand we are not liable for losses or damages from any disclosure of account information to third parties, non-delivery, delayed delivery, misdirected delivery, or mishandling of, or inaccurate content in, Account Alerts or the account information sent through Chase Mobile. You have to have an eligible account to activate and use the Chase Mobile text messaging service; once it is activated, you may have access to other types of accounts as well.

If we suffer a loss, cost, or expense because you provide an incorrect telephone number, e-mail address or other delivery location or you violate applicable laws, you have to pay that amount to us.

DEPOSIT ACCOUNT AGREEMENT

FUNDS AVAILABILITY POLICY

General Policy:

For all accounts other than Chase Analysis Business Checking (with or without Interest): Wire transfers, electronic direct deposits, and cash deposits made with a banker or at an ATM will be available on the day we receive your deposit. Except as described later in this policy, when you make other deposits, the funds are available on the first business day after the day we receive your deposit. Available funds may be withdrawn in cash or used to pay checks and other items.

For Chase Analysis Business Checking (with or without Interest):

Same-day availability: Wire transfers, electronic direct deposits, and cash deposits made with a banker or at an ATM will be available on the day we receive your deposit.

Next business day availability: Funds from the following deposits are available on the first business day after the day we receive your deposit:

- U.S. Treasury checks that are payable to you;
- Checks drawn on us.

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 we receive your deposit:

- State and local government checks that are payable to you, if you use a special deposit slip available at any branch upon request;
- Cashier's, certified, and teller's checks that are payable to you, if you use a special deposit slip available at any branch upon request;
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders that are payable to you.

Second business day availability: Funds from all other deposits are available no later than the second business day after the day we receive your deposit. Available funds may be withdrawn in cash or used to pay checks and other items.

When Your Deposit Is Received:

If you make a deposit with a teller at one of our branches on a business day, we will consider that day to be the day of your deposit. If you make a deposit on a business day before our cutoff times at a Chase ATM, we will consider that day to be the day of your deposit. However, if you make a deposit on a day that is not a business day, or make an ATM deposit after the ATM cutoff time, we will consider the deposit to have been made on the next business day.

- For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays.
- For deposits and transfers at most ATMs, the cutoff time is 11 p.m. Eastern time. For ATMs with an earlier cutoff, the ATM screen will notify you of the cutoff time.
- Deposits placed in a night depository are considered received when we remove them from the night depository. We will remove deposits not later than the next business day.
- Branches in some locations may be closed on business days in observance of a state holiday or because of an emergency, and deposits made at a night depository when those branches are closed will be considered received on the next business day when the branch is open.
- All deposits made by mail and addressed to Chase without using a specific branch name and street address will be considered received by the Chase-By-Mail facility in Louisville, Kentucky as of the date such deposit is received by that facility.

Longer Delays May Apply:

For all accounts other than Chase Analysis Business Checking (with or without Interest): In some cases, we may not make all of the funds that you deposited by check available by the first business day after the day of your deposit. Funds may not be available until the second business day after the day of your deposit. However, at least the first \$200 of these deposits will be available on the first business day after the day of your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available, but further review may still result in delayed availability.

For all accounts: Funds you deposited by check may be delayed for longer than two business days under the following circumstances:

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

If we delay availability for one of these reasons, funds may not be available until the seventh business day after the day of your deposit.

If your deposit is not made directly to one of our employees, we will mail you the notice by the business day after we receive your deposit. If we decide to delay availability of your funds after you complete your deposit, we will mail you the notice by the business day after we decide to take that action.

Special Rules for New Accounts:

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

- Funds from deposits of 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. 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 U.S. Treasury checks) 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; and
- Funds from all other check deposits will be available no later than the 15th business day after the day of your deposit.

Holds on Other Funds:

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.



FACTS	WHAT DOES CHASE DO WITH YOUR PERSONAL INFORMATION?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and income ■ account balances and transaction history ■ credit history and payment history 		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Chase chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does Chase Share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes – to offer our products and services to you		Yes	No
For joint marketing with other financial companies		Yes	No

For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For non affiliates to market to you	Yes	Yes

To limit our sharing

- Call 1-888-868-8618 - our menu will prompt you through your choice(s) **or**
- Visit us online: www.chase.com

Please note:

If you are a *new* customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

Questions?

Call 1-888-868-8618

Who we are

Who is providing this notice?

The JPMorgan Chase & Co. family of companies. A partial list of its U.S. consumer financial companies is located at the end of this document.

What we do

How does Chase protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We authorize our employees to get your information only when they need it to do their work, and we require companies that work for us to protect your information.

How does Chase collect my personal information?

We collect your personal information, for example, when you

- open an account or make deposits or withdrawals from your account
- pay your bills or apply for a loan
- use your credit or debit card

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes – information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on your account.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and non financial companies.

- *Our affiliates include companies with a Chase or JPMorgan name and financial companies such as J.P. Morgan Securities LLC.*

Non affiliates	Companies not related by common ownership or control. They can be financial and non financial companies. <ul style="list-style-type: none"> ■ <i>Non affiliates we share with can include companies such as retailers, auto dealers, auto makers and membership clubs</i>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> ■ <i>Our joint marketing partners include categories of companies such as insurance companies</i>

Other important information

State Laws:

VT: Accounts with a Vermont mailing address are automatically treated as if they have limited the sharing as described on page 1. For joint marketing, we will only disclose your name, contact information and information about your transactions.

NV: We are providing you this notice pursuant to Nevada law. If you prefer not to receive marketing calls from us, you may be placed on our Internal Do Not Call List by calling 1-800-945-9470, or by writing to us at P.O. Box 659752, San Antonio, TX 78265-9752.

For more information, contact us at the address above, or email Privacy.Info@JPMChase.com, with "Nevada Annual Notice" in the subject line. You may also contact the Nevada Attorney General's office: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; telephone number: 1-702-486-3132; email BCPINFO@ag.state.nv.us

CA: Accounts with a California mailing address are automatically treated as if they have limited the sharing with non affiliates as described on page 1. CA residents are provided a CA notice for additional choices.

Who is providing this notice?

JPMorgan Chase Bank, N.A.
J.P. Morgan Securities LLC.

Chase Insurance Agency, Inc.
Chase Bank USA, N.A.

Chase Bankcard Services, Inc.

Separate policies may apply to customers of certain businesses, such as J.P. Morgan's Private Bank or Private Wealth Management.

HOW TO CONTACT US

Personal Accounts:	Main phone number: 1-800-935-9935 Spanish: 1-877-31CHASE (1-877-312-4273)
Business Accounts:	Main phone number: 1-800-CHASE38 (1-800-242-7338) Spanish: 1-888-622-4273
Deaf and Hard of Hearing:	Operator relay calls: 1-800-CHASET D (1-800-242-7383) and all other Chase numbers Direct TDD/TTY calls: 1-800-CHASET D (1-800-242-7383)
International Calls:	1-713-262-1679
Web Site:	Chase.com
Addresses:	JPMorgan Chase Bank, N.A. P.O. Box 659754 San Antonio, TX 78265-9754.

If you believe your debit card has been lost or stolen, or for information about purchase and ATM transactions, call us at the telephone numbers listed here or write:

Chase
Regulation E, TX1-2551
Card and ATM Operations
P.O. Box 620002
Dallas, TX 75262-9802

In case of errors or questions about your electronic funds transfers (EFT): 1-866-564-2262.



CATALOG #RR03242013

Effective 3/24/2013

© 2013 JPMorgan Chase Bank, N.A. Member FDIC

