

The Summit Federal Credit Union

ACH Origination Terms and Conditions

In these Terms and Conditions (“the Terms”) words “you” and “your” mean the member(s) of The Summit Federal Credit Union. The words “us”, “we”, “our”, “credit union” and “SFCU” mean The Summit Federal Credit Union. The “Financial Institution” means a 3rd party financial institution named on the ACH Origination Authorization Agreement (the “Authorization” or “Agreement”).

- 1. Application of the Agreement:** The transfers covered by the signed Agreement are direct debit of funds, using the Automated Clearing House (ACH), from your account at the Financial Institution that allows direct debit transactions. By agreeing to the Terms, you are authorizing SFCU to debit your account at the Financial Institution for single or recurring debit to make payments on a particular loan or deposit to a particular demand account. These debits shall continue to be processed until such time as you revoke your authorization as referenced below, or when the loan is paid in full or when the account is closed. You understand that the agreement, the rules and regulations there in, are applicable to all of your credit union accounts and/or loans, and will remain in effect and continue to be applicable until revoked by you or us.
- 2. Indemnification:** You acknowledge that all of the information you provided on the ACH Origination Authorization Agreement created by you, or submitted verbally to a SFUC employee for the purpose of ACH Origination delivered by you to the SFCU is true, complete and correct. You agree to indemnify and hold SFCU, its employees, agents, and/or assigns harmless from and against any and all causes of action, claims, liabilities or costs (including reasonable attorneys’ fees) that arise against SFCU, its agents, employees and/or assigns by reason of having relied on the information provided by you and/or related to the SFCU providing the services pursuant to the terms of the Agreement.
- 3. Beginning Date for Loan Payments (recurring debits):** You authorize us to begin processing recurring debits from your account at the Financial Institution beginning the date indicated on the ACH Origination Agreement, specified within SFCU’s online payment portal, or on the 1st loan due date after we receive a completed Agreement, whichever is later. Such date will be included on the confirmation letter or email. If we are processing an ACH Origination via an ACH Origination Agreement, we must receive a completed Agreement 15 business days prior to initiating ACH debit entries.
- 4. Limitations on Withdrawals:** You may initiate ACH debits under the Agreement subject to the following conditions: (1) you have sufficient funds in your account at the Financial Institution; (2) these debits comply with the Agreement you have with the Financial Institution, who may have additional and/or different transaction limits beyond the control of SFCU.
- 5. Provisional Credits:** Credit given by us to you with respect to an ACH debit entries are provisional until we receive final settlement through a Federal Reserve Bank. If we do not receive such final settlement, you agree that we are entitled to a refund for the amount credited to your SFCU account. All loan payments and demand deposit account deposits will be provisionally credited subject to subsequent verification and collection.
- 6. Returned or Rejected Debits:** We may, but are under no obligation to, resubmit the debit and attempt to collect the funds from the Financial Institution at any time after a debit transaction is rejected or returned. If by following these procedures, we are unable to obtain reimbursement, you agree to pay us the monies you owe to us including any applicable fees associated with your SFCU account.

7. **Debit Amounts:** All debits will be for the amount shown on the ACH Origination Authorization Agreement or when entered as electronic format for account funding, loan payments, or funds transfer. Electronic format includes, but is not limited to, SFCU's new account/loan application portal or Person 2 Person/Account 2 Account third party processor representing the credit union. You also authorize us to process any reversing debits and credits to correct any erroneous transactions within the limitations of the ACH Origination Agreement, or outline within the online entry. If the debit amount is greater than what is necessary to bring the loan balance to zero, than the amount of funds in excess of what is necessary to bring the loan to a zero balance will be deposited to your SFCU share account.
8. **Verbal Authorization:** If processing an ACH transaction (payment, deposit, or funds transfer) over the phone with a credit union representative you authorize SFCU to use verbal verification as an acknowledgment to these ACH Terms and Conditions, and as the ACH Origination Authorization Agreement. Verbal authorization does not require written authorization to complete and maintain the ACH transaction; however, the credit union may require signed written authorization of said ACH transaction(s) at any time. If written authorization is requested the ACH transaction may be revoked by the credit union after 15 business days if requested authorization is not received.
9. **Monthly Loan Payment Amount:** This amount is the scheduled monthly payment disclosed in your original loan disclosure for closed end fixed rate loans. For variable rate loans, this is the loan payment disclosed to you on your rate change notice. For line of credit loans, the monthly payment due is the higher of the minimum payment or the calculated payment based on your loan disclosure.
10. **Variable Payment:** If a debit amount varies in amount from the immediately preceding debit amount, we will notify you at least 10 days before the new debit, when it will be made and how much it will be.
11. **Your Right to Stop Payment of Pre-authorized Debits and How to Do So:** You may revoke the Authorization by calling us at (800) 836-7328 extension 7060 or writing to us at ATTN: ACH Processing Department, 100 Marina Dr., Rochester, New York 14626. Your request to revoke the authorization must be received 15 business days, or more, before the payment/deposit/transfer is scheduled to be made. If you call to verbally revoke your authorization, we may require you to put your request in writing which must be received within 15 days.
12. **Skip-A-Payment or Extension:** If you elect to use the Skip-A-Payment or loan extension option offered by SFCU you give authorization to SFCU to suspend its responsibilities under the ACH Origination Agreement for any month in which you have elected to have a Skip-A-Payment or loan extension processed.
 - a. If you have a onetime payment or recurring payment setup within the credit union's online payment portal it is your responsibility to stop or adjust said payment if your desire is to skip said monthly payment(s) under the Skip-A-Pay promotion.
13. **Limitation Liability for Failure to Complete Transaction:** You agree that we will not be liable for a failure to complete a transaction if, among others things; (a) through no fault of ours, your account does not contain enough money (or sufficient collected funds) to complete the transaction; (b) if through no fault of ours, the other parties to the transaction fail to execute the transaction; (c) your account is frozen because of a court order or similar reason; (d) your account information has been reported lost or stolen and the account has been blocked; (e) circumstances beyond our control prevent the transaction, despite reasonable precautions we have taken.

14. **Business Day Disclosure:** Our business days are Monday through Friday, excluding holidays. When the payment/deposit/transfer date (the date on which the debit from the Financial Institution is credited to your SFCU account) falls on a weekend or Federal holiday, the transaction date may change to the next business day. If the transaction date chosen falls on the 29th, 30th, or 31st and there are not that many days in the month, the transaction date will be the last day of the month unless that falls on a weekend or Federal holiday, then it will be the next business day. The Financial Institution's business days may vary.
15. **Fees and Charges:** Please review The Summit's rate of fee schedule to determine fees accosted with ACH processing. Late fees or other charges may apply for any loan payments not made on time. ACH transactions may also be subject to ACH return transaction fees and/or unauthorized transaction fees. The SFCU reserve the right to institute other charges or fees in future.
16. **Third Party Service Provider (or TPSP):** The Summit Federal Credit Union may partner with Third Party Service Providers to provide additional ACH origination options such as, but not limited to Person 2 Person and Account 2 Account transactions (payments, deposits, and/or funds transfers). Should you agree to use the services of the TPSP you agree to maintain eligibility set forth by said TPSP, or by the credit union, and agree to accept any terms and conditions set forth by the service provider when presented to you. The Summit and/or the TPSP may revoke your use of their services at any time and without warning. The Third-Party Service Provider's term and conditions, along with The Summit's ACH Term and Condition, will be enforced based on the transaction scenario and for each transaction, individual or recurring, submitted. The TPSP may associate fees based on the services you selected; these fees may not be associated with the SFCU. Any fees assessed by the credit union for use of TPSP services will be outlined on our Rate and Fee schedule, located on our website or by request. Payments, deposits, and funds transfer dates, dates in which the funds will be sent/received and/or when they may become available to you, may be entirely dictated by the TPSP provider, and not within the control of the SFCU. Disputes regrading TPSP transaction may take the full amount of time allotted by federal and state regulations to resolve. The Summit does not permit the use of TPSP ACH funds transfers mechanisms to be used for business transactions or unlawful gambling.
17. **Termination or Amendment:** We may, at any time, terminate your right to make direct payments/deposits/funds transfers, amend the terms of the Agreement or cancel the Agreement. Termination of the Agreement by either you or us does not affect your obligation(s) under any loan agreements or membership/account agreements. If there is a conflict between the Agreement and something said by one of our employees, you agree that the signed loan, membership, account, or ACH agreement supersedes any verbal communication. Additionally, the last payment for balloon loan types will not be made via the ACH recurring transfer.
18. **Applicable Laws:** Except as governed by federal law, the Agreement shall be construed and governed in accordance with laws of the State of New York, National Credit Union Association, and the National Automated Clearing House Association.
19. **Acknowledgment:** You acknowledge reading a copy of the Terms, and by doing so agree to all Terms and Conditions outlined above. You may print a copy of the Terms for your records, or you can receive a printed copy by calling our Member Service Center at (800) 836-7328 or writing to ATTN: ACH Processing Department 100 Marina Dr., Rochester, NY 14626. Your use of this electronic service constitutes your acceptance of the terms and conditions of this Agreement.