

ELECTRONIC FUNDS TRANSFERS (REG E)

Horatio State Bank follows the federal regulations under Regulation E for electronic fund transfers. The primary objective of Regulation E is the protection of individual consumers engaging in electronic fund transfers and remittance transfers. As mentioned, Regulation E covers consumer accounts. **Consumer** is defined in the regulation as a "natural person". The regulation **does not** apply to electronic transfers to and from business or commercial accounts. **Account** is defined as a "demand deposit (checking), savings or other consumer account held directly or indirectly by a financial institution and established primarily for person, family, or household purposes". This term **does not** include an account held by a bank under a bona fide trust agreement. Regulation E applies to any electronic fund transfer that authorizes a bank to debit or credit a consumer's account. An **electronic fund transfer** is any transfer of funds that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a bank to debit or credit a consumer's account.

There are protections available, but **only** for consumer accounts under Regulation E. If you notify the bank within 2 business days after you learn of the loss or theft of your ATM/Debit card, you can lose no more than \$50.00 if someone used your card without your permission. The protections provided under Regulation E also allow the consumer to recover internet banking losses on their account (checking, savings or other consumer asset account) provided the losses are reported to the bank within the guidelines described.

If you do NOT tell the bank within 2 business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make, including those made by card or other means, notify the bank at once. If you need more information about a transfer listed on your statement, we must hear from you no later than sixty (60) days after your statement was mailed. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) prevented you from telling the bank, the time period may be extended.

Your complaint must include:

1. Your name and account number.
2. A description of the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. The dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than ten (10) business days to do this, we will credit your account 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 you believe your card or PIN number has been lost or stolen, call the bank at (870) 832-2501 or write us at: Horatio State Bank, PO Box 347, Horatio, Arkansas 71842. You should also call the number or write to the above address if you believe a transfer has been made using the information from your check without your permission.

For additional information regarding online safety and security, please access these resources:

- www.ftc.gov { <http://www.ftc.gov/> }
- [www.ic3.gov](http://www.ic3.gov/default.aspx) { <http://www.ic3.gov/default.aspx> }
- [www.idtheft.gov](http://www.consumer.ftc.gov/features/feature-0014-identity-theft) { <http://www.consumer.ftc.gov/features/feature-0014-identity-theft> }