

## **BILL PAY DISCLOSURE**

### **Disclosure and Agreement for Hughes Federal Credit Union Bill Pay Service**

**TYPE OF TRANSACTIONS:** If you choose to use Hughes Federal Credit Union's Bill Pay service, you may pay bills online from your Share Draft Checking Account to persons or entities that you select. You understand that payment of taxes or court-directed payments through the Bill Pay service is prohibited.

**DESIGNATING A BILL PAY ACCOUNT:** When you set up Bill Pay, you must designate a Hughes Federal Credit Union Share Draft Checking Account as your Bill Pay service account. If you close your Share Draft Checking Account your Bill Pay service will end and any unprocessed bill payment will not be made. In the event that you change or close your Share Draft Checking Account, you understand that you must re-enroll in Bill Pay service and reestablish your schedule of bills to be paid.

**CANCELING YOUR BILL PAY SERVICE:** If you choose to discontinue your Hughes Federal Credit Union Bill Pay service, any unprocessed bill payments will be canceled. You understand that you should notify Hughes Federal Credit Union in writing that you are discontinuing your Bill Pay service at Hughes Federal Credit Union, Attn: Bill Pay Service, PO Box 11900, Tucson, AZ 85734-1900. You may cancel a bill payment transaction up to, but not including, the date you scheduled the bill for processing. You must go online to cancel the bill payment transaction before the end of the Hughes Federal Credit Union's business day prior to the date the bill payment transaction you wish to cancel is scheduled for processing.

**BILL PAY:** You understand and agree that you must be 18 years of age (or age of majority depending on the state in which you reside) to set up or use Hughes Federal Credit Union's Bill Pay service. Bill payments can be any amount from \$1.00 to \$9,999.99. When you schedule a bill payment from your Hughes Federal Credit Union Share Draft Checking Account, you understand and agree that you must have sufficient funds available in your Hughes Federal Share Draft Checking Account to cover the amount of the bill to be paid at the time the bill payment transaction occurs.

While it is anticipated that most Bill Pay payments will be received by your designated payee within five (5) business days after your scheduled payment date, you understand that due to circumstances beyond Hughes Federal Credit Union's control, particularly delays in handling and posting payments by slow responding companies or financial institutions, some transactions may take a day or even a few days longer to post to your account with the designated payee. For this reason, all the bill payment dates should be scheduled by you at least seven (7) business days before the actual due date of the bill you wish to pay (not the late date and/or grace period). A bill payment that you schedule to be made on a day that is not a business day or a payment that is made after the cutoff time (8 p.m. Eastern Time [ET]) will be processed on the next business day. If you properly follow the procedures described herein and Hughes Federal Credit Union fails to send a payment according to the payment instructions received, Hughes Federal Credit Union shall be responsible for returning the improperly transferred funds to your account and for directing to the proper recipient any previously misdirected bill payments or transfers. In the event that you reschedule a payment on a date that is not at least seven (7) business days before the due date, including on or past the due date stated on your bill, the risk of incurring and responsibility for paying any and all late charges or penalties shall be borne by you. For purposes of Hughes Federal Credit Union's Bill Pay service, a business day is defined as a day when Hughes Federal Credit Union is open for business.

You understand that the primary or joint owner of your account can sign up for Bill Pay service unless the primary owner of your account requests in writing to Hughes Federal Credit Union that Bill Pay service be blocked. Once blocked, Bill Pay service may only be activated by a written request by the primary owner. You also understand that once the Bill Pay service is established, the primary or joint owner(s) of the account may

terminate Bill Pay by notifying Hughes Federal Credit Union in writing. You hereby agree to indemnify, defend, and hold Hughes Federal Credit Union harmless from acting upon the request of the primary or any joint owner(s) of your account.

**NON-SUFFICIENT FUNDS:** You understand that Hughes Federal Credit Union will not act on any withdrawal instruction from you if you do not have sufficient funds available to cover your directed Bill Pay(s) in your Share Draft Checking Account, including any applicable overdraft protection line of credit account(s) or funds available in your other overdraft services. If you do not have sufficient funds available to cover the amount of your bill, Hughes Federal Credit Union will not make the payment. In some instances, at Hughes Federal Credit Union's option, you may receive a notice of insufficient funds from Hughes Federal Credit Union either in writing or by electronic mail. Whether notified or not, you agree that your account will be charged a fee in accordance with Hughes Federal Credit Union's Schedule of Fees and Charges.

**MERCHANT OR PAYEE LIMITATION:** You understand that Hughes Federal Credit Union reserves the right to refuse to pay any person or entity to whom you may direct a payment. Hughes Federal Credit Union is obligated to notify you promptly if Hughes Federal Credit Union decides to refuse to pay the person or entity designated by you. This notification is not required if you attempt to pay tax or court related payments, which are prohibited under this agreement. In addition you understand that Hughes Federal Credit Union will not be able to execute any bill payment if the payee cannot or will not accept such payment.

**INFORMATION AUTHORIZATION:** Through your enrollment in Hughes Federal Credit Union's Bill Pay service, you agree that Hughes Federal Credit Union reserves the right to request a review of your credit rating at Hughes Federal Credit Union's expense through an authorized credit reporting bureau. In addition, you agree that Hughes Federal Credit Union reserves the right to obtain financial information regarding your account from a merchant or financial institution to resolve payment-posting problems.

**RIGHT TO CANCEL BILL PAY SERVICE:** If you want to cancel any scheduled bill payment, you must cancel the bill payment at least one business day prior to the scheduled payment date. You may cancel a payment transaction up to, but not including, the date you scheduled the bill for processing. You must go online and cancel the bill payment transaction before the end of Hughes Federal Credit Union's business day prior to the date the bill payment transaction is scheduled for processing.

Hughes Federal Credit Union will charge you for each stop payment order you give pursuant to Hughes Federal Credit Union's Schedule of Fees and Charges. Such stop payment notice will apply only to that particular payment.

**FEE:** As a Hughes Federal Credit Union Bill Pay service user, you agree to be charged a per payment fee as disclosed in Hughes Federal Credit Union's Schedule of Fees and Charges. The monthly fee that Hughes Federal Credit Union charges for Bill Pay service may change from time to time with Hughes Federal Credit Union providing you with notification of such change(s) twenty-one (21) days prior to any fee changes. There may be a charge for additional transactions and optional services. You agree to pay such charges and authorize Hughes Federal Credit Union to charge first your Share Draft Checking Account and then your Main Share Account and High Yield Savings Accounts, in the event that there are not sufficient funds in your Share Draft Checking Account for these amounts and any additional charges that may be incurred by you in accordance with Hughes Federal Credit Union's Schedule of Fees and Charges.

**DEACTIVATION:** Inactive Bill Pay Accounts will be deactivated by Hughes Federal Credit Union after three (3) months of inactivity. Members can re-enroll by contacting the Credit Union at (520) 794-8341 (Tucson) or (800) 253-8245 (toll-free).

**CHANGES:** You understand, and agree that Hughes Federal Credit Union has the option to notify you of any changes to the Bill Pay service Terms and Conditions electronically. You agree to be bound by the revised Terms and Conditions.