



## ACCOUNT RULES AND AGREEMENT

Dear Depositor:

This brochure contains the rules and regulations that govern, where appropriate, your deposit accounts(s) with us. Your account will also be governed by the signature card that you signed. Furthermore, the account will be subject to the laws, regulations and rules of the State of New Jersey and of the United States. Any change in any of the foregoing that may become effective in the future will also govern the account.

If you have any questions, please call us at (856) 769-4400 or visit your local banking office. Our staff will be happy to serve you.

### GENERAL RULES

DEFINITIONS: "Bank" means Franklin Bank.

"You" and "Your" mean the person(s) signing the account signature card(s).

"Account" means Checking, Saving, Money Market, or any other account the Bank may offer.

"Agreement" means this Agreement.

"Certificate Account" means an account evidenced by a Certificate of Deposit.

"Collected Funds" means the value of any check(s) or other instrument(s) that you deposited into your account for which the Bank has received payment from the bank on which it was drawn.

"Business Day" means any day other than Saturday, Sunday or a bank holiday during the scheduled hours posted in the banking offices.

SIGNATURE: You authorize the Bank to recognize the signature(s) on your account signature card for transactions on your account. The Bank reserves the right to refuse the withdrawal of all or part of your account by an individual whose signature does not appear on the signature card of your account, or whose signature, in the Bank's sole opinion, does not match that on the signature card.

The Bank is not liable for any fraudulent misuse of your account as long as reasonable care is taken by the Bank and properly signed and/or authorized withdrawal instructions are presented for withdrawal of money from your account.

**DEPOSITS AND WITHDRAWALS:** The Bank reserves the right to limit all or part of a deposit or to limit or refuse deposits at our discretion. No check or similar instrument that you deposit to your account is considered to be received until accepted by the Bank. All deposits are subject to verification of dollar amount and number of items and collection (when the Bank has received final payment).

You must maintain sufficient collected funds to cover checks you write and preauthorized transfers or withdrawals you request. Funds will be deemed accepted and available for withdrawal as set forth in our Availability of Funds Policy.

If the Bank receives any item payable to you with any endorsement missing, the bank may endorse it for you and deposit it into your Account. If any check or similar instrument you deposit is returned unpaid for any reason, we have the right to charge the item back to your account and adjust related interest.

You will be liable for the amount of any check or similar instrument you deposit to your account that is returned unpaid, plus cost associated with collection of all or part of such amount due from you, including reasonable attorney fees.

In its discretion, the Bank may refuse to accept a deposit, may return a deposit and may close the account.

Deposits and withdrawals may be subject to a service charge.

The Bank reserves the right to require you to give seven (7) days prior written notice to the Bank of an intention to withdraw. This requirement is in accordance with Federal Regulations and payment by the Bank without requiring the seven (7) days' notice does not constitute a waiver by the Bank of the right to require the notice.

**CHANGE OF ADDRESS:** You are to notify the Bank immediately, in writing, of any change in your mailing address.

**TRANSFERABILITY:** Your account is not transferable, assignable or negotiable.

**SET-OFF:** You agree that we may (without prior notice and when permitted by law) set-off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw.

This right of set-off does not apply to this account if: (a) it is an IRA or a tax-deferred retirement account; or (b) the debt is created by a consumer credit transaction under a credit card plan; or (c) the debtor's right of withdrawal only arises in a representative capacity.

**LIABILITY:** Each of you agrees, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges that may be imposed. You authorize us to deduct these charges directly from the account balance as accrued. You may also agree to pay such additional reasonable charges as we may impose for services you request which are not contemplated by this agreement. Each of you agrees to be jointly and severally liable for any account deficit resulting from charges or overdrafts, whether caused by you or another authorized to withdraw from this account, together with the costs we incur to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

**IDENTIFICATION:** We reserve the right to ask for two (2) forms of identification when you cash a check or make a withdrawal. We also reserve the right to close an account if the identification cannot be verified.

**LEVIES, ATTACHMENTS AND OTHER COURT PROCESSES:** If we receive a levy, attachment, or other court process against you or any party to the account, we may pay the amount demanded to the constable, taxing authority, sheriff, or court without notifying any party to the account or we may withdraw sufficient monies from the account or from any of your other accounts and deposit them in a non-interest bearing account until we or our counsel have approved the levy, attachment, or other court process. Any fees or penalties which would have been incurred by you if you had withdrawn the monies may be deducted from the amount withdrawn from the remaining balance on the account.

**INDEMNIFICATION OF BANK AND ATTORNEY'S FEES:** If we take action with respect to your account in accordance with your oral or written instructions and we incur any loss, liability, damage, cost or other expense (including the expense of employing legal counsel to defend us) as a result of any claim, demand, action, suit, or proceeding brought or made by any other party, you agree to indemnify and hold us harmless, from and against such loss, liability, or damage and to reimburse us for such cost or expense. You also agree to reimburse us for our costs and expenses (including attorney's fees) incurred in any action that we bring against you concerning your account and, in any lawsuit, instituted by you against us where we are the prevailing party. We may charge any account of yours for such cost and expenses without prior notice to you.

**CONTROVERSIES:** In the event of a controversy with respect to any account, we may pay the amount of the account into court and may interplead the claimants. Furthermore, we shall be reimbursed for all expenses we incur, including reasonable attorney's fees, out of the account. Additionally, we may refuse to allow any withdrawals until the controversy is resolved or we may elect to allow withdrawals according to the terms of the account. We will not be responsible for any withdrawal we refuse to allow.

**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION:** These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records.

**INDIVIDUAL ACCOUNT:** Is owned by one person.

**REVOCABLE TRUST AND PAY-ON-DEATH ACCOUNTS:** If two (2) or more of you create such an account, you own the account jointly with survivorship. Beneficiaries acquire the right to withdraw only if (1) all living persons creating the account die, and (2) the beneficiary is then living. If two (2) or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to (1) change beneficiaries, (2) change account types and (3) withdraw all or part of the deposit at any time.

**JOINT ACCOUNT WITH SURVIVORSHIP:** Is owned by two or more persons. All deposits made to a joint account become the property of the person(s) indicated on the account and the Bank may release all or any part of the amount in the account to honor checks, withdrawals, orders or requests from any person named on this account. Each party on the account has a right to payment from the account. When doing business involving a joint account, the Bank can act on the written instructions of one or more of the respective joint owners. The bank will continue to follow these instructions until the Bank receives

written notice to change them from any account holder. Notice to any one of you will be notice to all of you.

The following payments from a multiple-party account by the Bank, including payment of the entire account balance, are deemed authorized by all parties to and any other person with an interest in the multiple-party account, without any duty on the part of the Bank to consider the net contributions of the parties to the account:

- a. Payments, on request, to any one or more of the parties;
- b. Payments pursuant to any statutory or common law right of set-off, levy, attachment or other valid legal process or court order, relating to the interest of any one or more of the parties; and
- c. Payments, on request, to a trustee in bankruptcy, receiver in any state or federal insolvency proceeding, or other duly authorized insolvency representative of any one or more of the parties.

The account is a joint account with right of survivorship, you cannot change the ownership in your Will. If one of the person(s) named in the account should die, the Bank may continue to honor checks, withdrawals, orders or requests by any surviving person(s) named on this account and will consider them the surviving person(s) named on the account. If one depositor dies and you are the only survivor, you will own the balance remaining.

**CORPORATE, PARTNERSHIP AND OTHER ORGANIZATIONAL ACCOUNTS:** We will usually require a separate authorization form designating the person(s) permitted and conditions required for withdrawal from any account in the name of a legal entity, such as a partnership, corporation, or other organization. We will honor such authorization according to its terms until it is amended or terminated in writing by the governing body of such organization.

**EARNINGS AND INTEREST PAYMENTS:** Variable or market rate accounts have an interest rate that can change periodically. If your account is an interest-bearing account, the Bank will establish the interest rate and yield on your account based on current market condition. Rates are established for a limited time only, may vary and can be acquired in any of the Bank's branch offices. See the Disclosure of Account Terms.

**FEES, SERVICE CHARGES AND BALANCE REQUIREMENTS:** You agree to pay the Bank and are responsible for any fees, charges or minimum balance requirements which apply to your account, and to pay special charges for services such as stop payment orders, certified checks and returned checks. The amount of the charges may change from time to time. You will be liable for any expenses arising from attachment, garnishment, or levy of your account. The Bank will give you notice of any change in fees. The notice may be posted in the Bank's lobby, sent in the mail, or included in a statement message with your periodic account statement, if one is sent. See the Disclosure of Account Terms.

**STATEMENTS:** Your statement will be mailed, monthly or quarterly, depending on the type of account and the services you have with us, and if applicable, will include the amount of interest earned for the statement period. We will mail your statements to the address on the account in our records unless you have requested another arrangement in writing. If any statement is returned to us because of an

incorrect address, we may stop sending statements to you. Electronic Statements (e-Statements) are made available also.

Examine your statement and checks with reasonable promptness after the Bank sends or makes them available to you. If you find an unauthorized signature or alteration, you must notify the Bank promptly and, in any event, no later than 60 days from when the Bank sends or makes your statement available to you. Failure to do so may affect your legal rights and you will be subject to all applicable state and federal laws. You agree that we will not be liable for paying on an unauthorized signature, an unauthorized endorsement or an alteration if: (1) you did not exercise reasonable care in examining the statement and enclosed items or (2) you have not reported an unauthorized signature, an unauthorized endorsement or an alteration to us within 60 calendar days of the mailing date of the earliest statement describing these items or (3) these items were forged or altered so cleverly that an unauthorized signature, an unauthorized endorsement or an alteration could not be detected by a reasonable person. Refer to our separate Electronic Funds Transfer Act Disclosure regarding your liability for unauthorized transfer activity. If you think an error has been made or you need more information, notify your branch promptly.

**TELEPHONE TRANSFERS:** A transfer of funds from one account to another account with us, by telephone, if otherwise permitted or arranged for, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Other account transfer restrictions are shown elsewhere in this brochure.

**24-HOUR-BANK-BY-PHONE:** Transfers via the 24-Hour-Bank-By-Phone will be completed the same business day, except on the weekend. These transfers will be completed the next business day. Transfers may be made between like-titled accounts.

**DIRECT DEPOSIT:** If, in connection with a direct deposit plan, we deposit any amount in this account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from this account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**AMENDMENTS AND TERMINATION:** We may change any term of these rules and regulations and add new rules and regulations from time to time. We may also change the interest rate, manner by which interest is computed, the service and maintenance charges and the banking hours from time to time. Each of the changes will be binding upon you and the account when the Bank posts a notice of the change in the lobby of the Bank or when the Bank mails you a written notification or encloses such notification on a statement of this account.

**CONTINUING EFFECT:** If any one of the provisions or rules in this Agreement is determined by governmental authority to be invalid, the remaining provisions or rules will continue to be in effect.

**AGREEMENT:** The Account is/may be subject to the provisions of the Disclosure of Account Terms, Electronic Funds Transfer (EFT) Disclosure and the Availability of Funds and Collection of Checks, copies of which you acknowledge receiving when you opened your account. By signing the signature card, you agree to be bound by all these rules and regulations.

## CHECKING ACCOUNTS

In addition to the preceding General Rules, the following also applies to all Checking Accounts.

Canceled checks for some Checking Accounts will not be returned to you, but if you request a copy in writing, the Bank will supply same up to a period of seven years and charge you a fee.

**WITHDRAWALS:** You make withdrawals from your account either by writing a check in the form prescribed by the Bank or by authorizing the Bank to charge your account periodically, by preauthorized transfers, or through other authorized electronic means.

If your Checking Account lacks sufficient collected funds to pay a check presented for payment, the Bank may either return or pay the check and, in either event, charge you a fee. The Bank may not pay any check, draft or instrument drawn on your account if there is a deficiency that renders the check, draft or instrument not payable, such as improper endorsement, date more than six (6) months previous or a discrepancy in written versus numerical amounts.

**CHECKS:** All checks, drafts or other instruments presented for deposit must be in a format that can be processed and photographed. All endorsements placed on the reverse side of any check which you deposit to your account must be placed within an area called the "Endorsement Area." The Bank may refuse to accept any check that does not meet this requirement, and if the Bank does accept it, you will be responsible for any loss incurred by an endorsement not meeting this requirement, including reasonable attorney fees.

**STOP PAYMENT:** You may request that the Bank stop payment on a check orally or in writing, but you must confirm the oral request in writing within fourteen (14) days otherwise it will expire. Stop payments will be effective for six (6) months and you will be charged a fee for any stop payment you request unless otherwise agreed upon in advance. Each continuation of a stop payment request will be treated as a new request for the purpose of fee assessment. All information you give the Bank must be accurate. An error of even one cent may result in the check not being stopped, and the Bank will not be responsible for stopping payment on the check. A stop payment order must be given in a manner required by law and must be received in time to give us a reasonable opportunity to act on it before our stop payment cut-off time. Additional limitations on our obligation to stop payment are provided by law. A release of the stop payment request may be made only by the person who initiated the stop payment.

**POSTDATED CONDITION CHECKS:** You agree not to postdate any check or put a condition for payment on any check drawn on your account. If you do, and the check is presented for payment before its date or before the condition has been met, the Bank may at its discretion pay the check or return it unpaid. You hold the Bank harmless for paying any stale date, postdate or overdraft check, and agree to reimburse the Bank for losses the Bank might suffer because of such payment made in good faith.

**SERVICE FEES AND CHARGES:** Your statement will show service fees and charges taken by the Bank from your account during the month. The Bank is not responsible for the return of a check, draft, or other instrument because of insufficient collected funds in your account due to the deduction of these fees and charges. See the Disclosure of Account Terms.

**INSUFFICIENT FUNDS POLICY:** If your account lacks sufficient collected funds to pay an item such as a check, ATM, or debit card, in-person withdrawal, ACH, transfer, or by any other means presented for payment, the Bank may either return or pay the item and in either event, charge you a fee. Be aware that such an item may be presented for payment multiple times and that we do not monitor or control the number of times an item is presented for payment. You agree that we may charge you an NSF fee each time an item is presented if the amount of money available in your account is not sufficient to cover the item, regardless of the number of times the item is presented.

The Bank may not pay an item drawn on your account if there is a deficiency that renders the item not payable, such as improper endorsement, date more than six (6) months previous or a discrepancy in written verses numerical amount.

### **OVERDRAFT PRIVILEGE**

Overdraft Privilege is a courtesy overdraft service for consumer checking accounts that provides a safety net up to an automatically assigned overdraft limit depending on what type of checking account you have. There is no additional cost associated with Overdraft Privilege unless you use it. If you do use the Overdraft Privilege limit, you will be charged our paid item OD fee of \$35.00 for each overdrawn item created by checks and other transactions made using your checking account number, such as a teller withdrawal, an automatic payment (ACH) transaction, automatic bill payment, or recurring debit card payment. One time POS debit card transactions and ATM withdrawals may be covered as well upon request. Overdraft Privilege will not be offered on the following account types, Sole Proprietorship, Minor Accounts and Estate Accounts. Please refer to the Overdraft Privilege brochure for additional details.

### **MONEY MARKET ACCOUNTS**

In addition to the General Rules and Checking Account Rules above, the following apply to all Money Market Deposit Accounts.

**WITHDRAWALS AND PREAUTHORIZED TRANSACTIONS:** You may withdraw collected funds from your account in person using the Bank's Authorized form, at an automated teller machine, or electronically. There is no limit to the number of these withdrawals. You may transfer funds from one account at the Bank to another of your accounts at the Bank when such transfers are made in person, by mail or electronically.

### **SAVINGS ACCOUNTS**

In addition to the General Rules above, the following applies to all Savings Accounts. See Disclosure of Terms for specific requirements.

**INTEREST PAYMENTS:** Interest will be paid and distributed on deposits by being credited to your account as scheduled. The method of computing interest and frequency of compounding will be set forth on the Disclosure of Account Terms. The Bank reserves the right at any time, to the extent permitted by applicable law or regulations, to change the method of computing interest, the frequency of compounding and the period of crediting. The Bank will notify you if such changes are made by mailing notice to your address as shown on our records or by posting a notice of such change at our banking offices.

## STATEMENT ACCOUNT WITHDRAWALS AND PRAUTHORIZED

**TRANSACTIONS:** You may withdraw collected funds from your account in person using the Bank's authorized form, at an automated teller machine, or electronically. There is no limit to the number of these withdrawals. You may transfer funds from one account at the Bank to another of your accounts at the Bank when such transfers are done in person, by mail or electronically.

You may call us at (856) 769-4400 to be connected to your local branch office or call your local branch office directly to determine whether your transfer occurred.

The bank is not liable for any fraudulent misuse of your account as long as reasonable care has been taken by the Bank, and properly signed withdrawal instructions are presented for withdrawal from your account. Transactions on your account will be reflected in a monthly statement.

**BASIC SAVINGS ACCOUNT WITHDRAWALS:** Basic Savings accounts DO NOT have electronic funds transfer capabilities, including no ATM privileges.

## CERTIFICATES OF DEPOSIT

In addition to the General Rules above, the following rules apply to Certificate Accounts.

You will be issued a Certificate of Deposit for your account which indicates the initial principal amount, term and maturity date, the interest rate, frequency of compounding, the renewal term, and other information. Interest on your account shall begin to accrue from the day the deposit is accepted and shall continue up to but not including the day of maturity, at the rate offered by the Bank on the date of issuance, and shall be paid and/ or credited on such deposits as provided, so long as the account is not reduced below the minimum indicated for the account. See the Disclosure of Account Terms.

The Bank reserves the right, at any time, to the extent permitted by applicable law or regulation, to change the minimum amounts required, the frequency of compounding and method of computing interest or both; however, any such changes shall not affect accounts in existence at the time of such changes until the account is renewed. See the Disclosure of Account Terms.

In the event of any withdrawal of principal from a Certificate Account prior to maturity date, you will forfeit an amount of interest, whether earned or not, on the amount withdrawn at the nominal interest rate being paid on the account, regardless of the length of time the funds withdrawn have remained in the account. See the Disclosure of Account Terms.

All, or any part of your Certificate Account may be withdrawn without penalty during the grace period of seven (7) calendar days after a maturity date, and earnings will be paid thereon up to but not including the day of withdrawal without penalty at the rate of interest applicable to your account. A penalty will not be imposed for withdrawal of principal following the death or adjudication of incompetence of the account holder.

Your Certificate Account will automatically renew on the maturity date of the original term or any renewal term for a successive term equal in length of the original term, unless closed within the seven (7) calendar day grace period referred to above. Interest earned on the account at the commencement of the renewal term is merged with the principal and only the interest earned for the renewal term may

be withdrawn at any time without penalty during such term. The interest rate will be adjusted to the Bank's offered rate on new accounts of the same term. See the Disclosure of Account Terms.

Your Certificate Account will not be renewed automatically if the Bank gives written notice to you, before the maturity date, that the account will not be renewed at the same terms. The Bank reserves the right to eliminate or discontinue a savings plan by giving this written notice.

#### **ELECTRONIC FUNDS TRANSFER POLICY (REGULATION E) YOUR RIGHTS AND RESPONSIBILITIES**

The Electronic Fund Transfers we are capable of handling are indicated below, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for these transactions under the Electronic Funds Transfer Act. You should keep this notice for future reference.

BUSINESS DAYS ARE: MONDAY THROUGH FRIDAY EXCLUDING FEDERAL HOLIDAYS

#### **TYPES AND LIMITATIONS OF TRANSFERS**

Our services allow you to ask that recurring deposits which you designate, such as Direct Deposit of Wages, Social Security Benefits, Pension Payments, Dividend Payments and similar regular payments be deposited directly into your:

- Premier Checking Account
- 50+ Checking Account
- E-Access Checking Account
- Money Market Account
- Statement Savings Account

**Account Access** - an access device (Card, code and/or electronic device) may be used to:

- Withdraw cash from checking accounts.
- Make deposits to checking accounts.
- Withdraw cash from statement savings accounts.
- Transfer funds between checking and statement savings accounts upon request.
- Pay for purchases at places that have agreed to accept our access devices.

Some of these services may not be available at all terminals.

#### **Bill Payment**

- Checking accounts can be set-up for pre-determined/scheduled bill payments through Online Banking.

**Preauthorized Transfers** - We are equipped to:

- Accept certain deposits to your checking or statement savings account.

- Pay bills directly from your checking account or statement savings account in the amounts and on the days you request.

**Limitations on Dollar Amounts of Transfers** - You may withdraw from our terminals or purchase goods and/or services up to the limits listed below.

SETTLEMENT DAY LIMITS FOR CONSUMERS			
Card Type	Withdrawal	POS Purchase	Combined
Master Money Card	\$600	\$2,000	\$2,600
ATM Card	\$600	N/A	\$600
SETTLEMENT DAY LIMITS FOR MINORS* (15-17 Years Old)			
Card Type	Withdrawal	POS Purchase	Combined
Master Money Card	\$500	\$500	\$1,000
ATM Card	\$500	N/A	\$500
SETTLEMENT DAY LIMITS FOR BUSINESS			
Card Type	Withdrawal	POS	Combined
Master Money Card	\$600	\$2,500	\$3,100
ATM Card	\$600	N/A	\$600

\*Account is required to be opened with a parent or guardian

#### **ELECTRONIC CHECK CONVERSION:**

You may receive electronic check conversions from your account. An electronic check conversion is a transfer via ACH where a consumer has provided a check to enable the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, or where a payment is made by a bill payer under a bill payment service available to a consumer via computer or other electronic means.

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. You authorize us to collect a fee (see our fee schedule) through an electronic fund transfer from your account if your payment is returned unpaid.

When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account if your payment is returned unpaid.

#### **CHARGES FOR ELECTRONIC FUND TRANSFERS**

- We currently do not charge for direct deposits to any type of account.
- We currently do not charge for preauthorized withdrawals from any type of account.
- We currently do not charge for Bank-by-Phone services.
- There are charges for Wire Transfer transactions and there may be charges for ATM transactions from ATM's that are not owned by us.

## RIGHT TO DOCUMENTATION

**Terminal Transfers.** You have the option to receive a receipt at the time you make any transfer to or from your account using one of our automated teller machines or point-of-sale terminals.

**Direct Deposits/Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us at (856) 769-4400 to be connected to your local branch office or call your local branch office directly. You may also write to us at Franklin Bank, Attn: Deposit Operations, P.O. Box 230, Woodstown, NJ 08098-0230 to find out whether or not a deposit has been made. If the only possible transfers to or from your account are direct deposits, you will get a monthly statement from us.

**Periodic Statements.** You will receive a monthly account statement from us, based on the type of account, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

## STOP PAYMENT PROCEDURES AND NOTICE OF VARYING AMOUNTS

**Right to Stop Payment and Procedure for Doing So:** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

You may call us at (856) 769-4400 to be connected to your local branch office or call your local branch office directly. You may also write to us at Franklin Bank, Attn: Deposit Operations, P.O. Box 230, Woodstown, NJ 08098-0230 in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we also require you to put your request in writing.

A Stop Payment Request Form must be completed. The form can be signed and completed at any branch location or can be submitted online.

**NOTICE OF VARYING AMOUNTS:** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice 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.)

**Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop one of these payments three business days or more before the transfer is scheduled and we do not do so, we may be liable for your losses or damages.

## OUR LIABILITY

**Liability for Failure to Make Transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, there are some exceptions. We will NOT be liable for instance:

- 1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- 2) If the automated teller machine where you are making the transfer does not have enough cash.
- 3) If the terminal or system was not working properly, and you knew about the breakdown when you started the transfer.

- 4) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions we have taken.
- 5) There may be other exceptions in our agreement with you.

## **DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES**

We will disclose information to third parties about your account or the transfers you make:

- 1) Where it is necessary for completing transfers.
- 2) In order to verify the existence and condition of your account for a third party, such as credit bureau or merchant.
- 3) In order to comply with government agency or court orders; or
- 4) If you give us written permission.

## **UNAUTHORIZED TRANSFERS**

**Consumer Liability.** Tell us at ONCE if you believe your card/and or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum bounce protection limit if applicable). MasterCard Zero Liability Rules will apply to all transactions conducted with a MasterCard branded card, including PIN-based transactions at the POS and ATM. A cardholder will not be liable for an unauthorized transaction, as long as the cardholder has exercised reasonable care in safeguarding the card from risk of loss or theft, and, upon becoming aware, promptly reporting the loss or theft to the issuer.

If you do not tell us within two business days after you learn of the loss or theft of your card/code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you can lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by a card and/or code or other means, tell us at once. 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) kept you from telling us, we will extend the time periods.

**Contact in Event of Unauthorized Transfer.** If you believe your card and/ or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us immediately: (856) 769-4400 to be connected to your local branch office or contact your local branch directly. You may also write us at: Franklin Bank, ATTN: Deposit Operations, P.O. Box 230, Woodstown, NJ 08098-0230.

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

## **ERROR RESOLUTION**

In case of errors or questions about your electronic transfers on your statement or receipt, we must hear from you no later than 60 days after we sent the FIRST statement on which the error appeared.

Call us immediately: (856) 769-4400 to be connected to your local branch office or contact your local branch directly. You may also write us at: Franklin Bank, ATTN: Deposit Operations, P.O. Box 230, Woodstown, NJ 08098-0230.

If you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt.

- 1) Tell us your name and account number (if any).
- 2) Describe the error on 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) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send your complaint or question in writing within 10 business days.

We will tell you the results of our investigation within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign initiated transfer) to investigate your complaint or question. In this case, we will give you provisional credit within 10 business days (20 business days if the transfer involved a new 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 we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not give you provisional credit. If an error did occur, we will credit your account within one business day upon confirmation of the error.

If we decide that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation. If provisional credit was given, we will debit your account and notify you immediately.

#### **YOUR ABILITY TO WITHDRAW FUNDS**

Like most financial institutions, we may delay the availability of funds that you deposit into your account. During the delay, you may not withdraw the funds in cash, and we will not use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

#### **DETERMINING THE AVAILABILITY OF A DEPOSIT**

Every day, except Saturday, Sunday and a federal holiday is a business day. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit on a day, we are not open, we will consider that the deposit was made on the next business day we are open.

The length of the delay varies on the type of the deposit and is explained below. If you have questions, be sure and ask.

**MOBILE AND MERCHANT REMOTE DEPOSIT CAPTURE**

The daily cut-off time for Mobile (Consumer) and Merchant Remote Deposit Capture is 4:00 pm (ET). Accepted deposits received by the Bank before the daily cut-off time may be deposited the next business day. Accepted deposits received after the daily cut-off time may be deposited on the second business day. For check deposit availability, see information below.

Daily dollar deposit limits do apply. Please consult your Deposit Capture documentation.

**SAME-DAY AVAILABILITY**

Funds from the following deposits are available on the SAME business day as the day of your deposit. Longer delays may apply based upon the discretion of the bank.

- Cash
- Direct Deposit
- Electronic Transfers
- Checks drawn ON US
- State and Government Checks (that are payable to you)
- Cashier’s, Certified and Teller Checks (that are payable to you)
- Payroll Checks (for local and approved companies when you maintain a sufficient depositor relationship)

**OTHER CHECK DEPOSITS**

WHEN FUNDS ARE AVAILABLE	WHEN FUNDS ARE AVAILABLE IF A DEPOSIT IS MADE ON MONDAY
\$225 on the first business day after the day of your deposit.	Tuesday
Remaining funds on the second business day after the day of your deposit	Wednesday

**LONGER DELAYS MAY APPLY**

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 in one day.

- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as a failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the sixth business day after the day of your deposit.

#### **HOLDS ON OTHER FUNDS (CHECK CASHING)**

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.

#### **HOLDS ON OTHER FUNDS (OTHER ACCOUNT)**

If we except for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

#### **FUNDS AVAILABILITY FOR ATM DEPOSITS**

Cash or check deposits made at ATMs that we own or operate will be available according to the Other Check Deposits chart. Longer delays may apply to deposits more than \$5,525.

Funds from any deposit (cash or check) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the day of your deposit.

If you make a deposit on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit on the weekend or a holiday, we will consider the deposit was made on the next business day we are open.

#### **SPECIAL RULES FOR NEW ACCOUNTS**

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 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 payable to you. The excess over \$5,525 will be available on the sixth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the second business day after the day of your deposit.

#### **CHECK 21 "SUBSTITUTE" CHECKS**

### **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 slightly 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 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 my rights 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 the wrong amount or 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 because of the withdrawal (for example, bounced check 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 received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received 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 I 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, you may call us at (856) 769-4400 to be connected to your local branch office or call your local branch office directly. You may also write us at: Franklin Bank, ATTN: Deposit Operations, P.O. Box 230, Woodstown, NJ 08098-0230. 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 unable 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
- A copy of the substitute check [and/or] the following information to help us identify the substitute check: (identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check).

**STOP BY YOUR NEAREST FRANKLIN OFFICE:**

**137 West Broadway, Salem, NJ 08079 • (856) 935-2400**

**260 North Broadway, Pennsville, NJ 08070 • (856) 678-5911**

**1179 Route 40, Pilesgrove, NJ 08098 • (856) 769-1327**

**99 Center Square Road, Swedesboro, NJ 08085 • (856) 467-2650**

**2584 Route 9, Ocean View, NJ 08230 • (609) 624-1991**

**2039 Delsea Drive, Franklinville, NJ 08322 • (856) 694-0220**

**18 Front Street, Salem, NJ 08079 • (856) 339-9526**

**24/7 Bank by Phone EZ Voice • 1-855-935-2260**

**ADMINISTRATIVE OFFICES**

**1179 ROUTE 40, P.O. Box 230, Woodstown, NJ 08098 (856) 769-4400**

**Access your Accounts Online 24/7 at:**

**[www.franklinbnk.com](http://www.franklinbnk.com)**

**Call EZ Voice / 24 Hr. Banking Systems at:**

**1-855-935-2260**