

## Notice of Change to MasterCard Rules for Cardholder Liability for Unauthorized Transfers

MasterCard has announced changes to its rules limiting cardholder liability for unauthorized transfers. The MasterCard limitations on liability for unauthorized transfers are in addition to limitations on liability established by federal law. The MasterCard changes become effective on October 17, 2014.

As a result of these changes:

- the MasterCard limitations will apply to all transactions conducted with a MasterCard branded card, including PIN-based transactions [Note: PIN-based transactions are not covered by the current rule]
- it is no longer a condition for \$0 liability that you have not reported two or more incidents of unauthorized use in the preceding twelve months or that the account to which the unauthorized transaction is posted is in good standing
- you must promptly notify us upon becoming aware of a loss or theft as a condition for \$0 liability
- if you do not exercise reasonable care to safeguard your card from the risk of loss or theft or you do not promptly notify us of a loss or theft, the MasterCard limitations on liability will not apply - limitations established by law may still apply [Note: the MasterCard \$50 liability limit that currently applies if the conditions for \$0 liability are not met is eliminated by these rule changes]
- The MasterCard rule that defines “unauthorized use” has been removed. [Note: “Unauthorized transfer” is defined by federal law to be: an electronic fund transfer from a consumer’s account initiated by a person other than the consumer without actual authority to initiate the transfer and from which the consumer receives no benefit. The term does not include an electronic fund transfer initiated:
  - (1) By a person who was furnished the access device to the consumer’s account by the consumer, unless the consumer has notified the financial institution that transfers by that person are no longer authorized;
  - (2) With fraudulent intent by the consumer or any person acting in concert with the consumer; or
  - (3) By the financial institution or its employee.]

For your convenience, the following is a disclosure of the limitations established by law and by MasterCard that will be effective on October 17, 2014.

**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 overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission. Also, if you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or 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 could lose as much as \$500. Also, if your statement shows transfers that you did not make, including those made by card, 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.

**MasterCard Debit Card. Additional Limits on Liability.** You will not be liable for any unauthorized transactions using your MasterCard debit card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. MasterCard is a registered trademark of MasterCard International Incorporated.

## Change to Cross-Border Transaction Fee

MasterCard® has increased the Issuer Cross-Border Assessment it charges us from 80 basis points to 90 basis points. Therefore, the Currency Conversion and Cross-Border Transaction Fees section of the agreement related to your MasterCard-branded debit card (Card) is amended to read as follows:

**Currency Conversion and Cross-Border Transaction Fees.** If you effect a transaction with your Card in a currency other than US Dollars, MasterCard will convert the charge into a US Dollar amount. The MasterCard currency conversion procedure includes use of either:

- a government-mandated exchange rate, or
- a wholesale exchange rate selected by MasterCard.

The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account.

MasterCard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, MasterCard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion.

As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .9%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion.

A cross-border transaction is a transaction processed through the Global Clearing Management System or the MasterCard Debit Switch in which the country of the merchant is different than the country of the cardholder.

Your continued use of the Card on or after the effective date of this change acknowledges acceptance of these amended terms. All other terms of the agreement remain unchanged.

This change is effective October 17, 2014.

WEST SHORE BANK