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Electronic Funds Transfer - Your Rights and Responsibilities

ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURE

For purposes of this disclosure and agreement the terms "we", "us" and "our" refer to Marblehead Bank. The terms "you" and "your" refer to the recipient of this disclosure and agreement.

The Electronic Fund Transfer Act and Regulation E require institutions to provide certain information to customers regarding electronic fund transfers (EFTs). This disclosure applies to any EFT service you receive from us related to an account established primarily for personal, family or household purposes. Examples of EFT services include direct deposits to your account, automatic regular payments made from your account to a third party and one-time electronic payments from your account using information from your check to pay for purchases or to pay bills. This disclosure also applies to the use of your ATM card or Debit Card at automated teller machines (ATMs) and any networks described below.

TERMS AND CONDITIONS. The following provisions govern the use of electronic fund transfer (EFT) services through accounts held by Marblehead Bank which are established primarily for personal, family or household purposes. If you use any EFT services provided, you agree to be bound by the applicable terms and conditions listed below. Please read this document carefully and retain it for future reference.

ELECTRONIC FUND TRANSFER SERVICES PROVIDED

SERVICES PROVIDED THROUGH USE OF ATM CARD OR DEBIT CARD

If you have received an electronic fund transfer card ("ATM card" or "Debit Card") from us you may use it for the type(s) of services noted below, and the following provisions are applicable:

USING YOUR CARD AND PERSONAL IDENTIFICATION NUMBER ("PIN"). In order to assist us in maintaining the security of your account and the terminals, the ATM card or Debit Card remains our property and may be revoked or canceled at any time without giving you prior notice. You agree not to use your ATM card or Debit Card for a transaction that would cause your account balance to go below zero, or to access an account that is no longer available or lacks sufficient funds to complete the transaction, including any available line of credit. We will not be required to complete any such transaction, but if we do, we may, at our sole discretion, charge or credit the transaction to another account; you agree to pay us the amount of the improper withdrawal or transfer upon request.

Your ATM card may only be used with your PIN. Certain transactions involving your Debit Card require use of your PIN. Your PIN is used to identify you as an authorized user. Because the PIN is used for identification purposes, you agree to notify Marblehead Bank immediately if your ATM card or Debit Card is lost or if the secrecy of your PIN is compromised. You also agree not to reveal your PIN to any person not authorized by you to use your ATM card or Debit Card or to write your PIN on your ATM card or Debit Card or on any other item kept with your ATM card or Debit Card. We have the right to refuse a transaction on your account when your ATM card or Debit Card or PIN has been reported lost or stolen or when we reasonably believe there is unusual activity on your account.

The security of your account depends upon your maintaining possession of your ATM card or Debit Card and the secrecy of your PIN. You may change your PIN if you feel that the secrecy of your PIN has been compromised. You may change your PIN by use of any one of our ATM terminals or visiting any branch office..

ATM SERVICES

ATM CARD SERVICES. The services available through use of your ATM card are described below.

You may withdraw cash from your checking account(s), money market account(s), and Statement Savings Account(s).

You may make deposits into your checking account(s), money market account(s), and Statement Savings Account(s).

You may transfer funds between your checking and money market accounts, Checking and Statement Savings Accounts, and Statement Saving & Money Market Acct(s).

You may make balance inquiries on your checking account(s), money market account(s), and Statement Savings Account(s).

DEBIT CARD SERVICES. The services available through use of your Debit Card are described below.

You may withdraw cash from your checking account(s), money market account(s), and Statement Savings Account(s).

You may make deposits into your checking account(s), money market account(s), and Statement Savings Account(s).

You may transfer funds between your checking and money market accounts, Checking and Statement Savings Accounts, and Statement Saving & Money Market Acct(s).

You may make balance inquiries on your checking account(s), money market account(s), and Statement Savings Account(s).

You may use your Debit Card to obtain cash advances from your Ca\$hline Account at an ATM.

NETWORK. Your ability to perform the transactions or access the accounts set forth above depends on the location and type of ATM you are using and the network through which the transaction is being performed. A specific ATM or network may not perform or permit all of the above transactions.

Besides being able to use your ATM card or Debit Card at our ATM terminals, you may access your accounts through the following network(s): Cirrus, Nyce

ATM FEES. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

POINT OF SALE TRANSACTIONS

You may use your ATM card or Debit Card to purchase goods and services from merchants that have arranged to accept your ATM card or Debit Card as a means of payment (these merchants are referred to as "Participating Merchants"). Some Participating Merchants may permit you to receive cash back as part of your purchase. Purchases made with your ATM card or Debit Card, including any purchase where you receive cash, are referred to as "Point of Sale" transactions and will cause your "designated account" to be debited for the amount of the purchase. The designated account for ATM card transactions is your checking account. The designated account for Debit Card transactions is your checking account.

In addition, your Debit Card may be used at any merchant that accepts MasterCard® debit cards for the purchase of goods and services. Your card may also be used to obtain cash from your designated account at participating financial institutions.

Each time you use your ATM card or Debit Card, the amount of the transaction will be debited from your designated account. We have the right to return any check or other item drawn against your account to ensure there are funds available to pay for the ATM card or Debit Card transactions. We may, but do not have to, allow transactions which exceed your available account balance or, if applicable, your available overdraft protection. If we do, you agree to pay the overdraft.

CURRENCY CONVERSION - MasterCard®. If you perform transactions with your card with the MasterCard® logo in a currency other than US dollars, MasterCard International Inc., will convert the charge into a US dollar amount. At MasterCard International they use a currency conversion procedure, which is disclosed to institutions that issue MasterCard®. Currently the currency conversion rate used by MasterCard® International to determine the transaction amount in US dollars for such transactions is generally either a government mandated rate or wholesale rate, determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or the cardholder statement posting date.

IMPORTANT ADDITIONAL FEE NOTICE: MasterCard® charges us a Currency Conversion Fee of 0.200% of the transaction amount for performing currency conversions and a Cross-Border Fee of 0.900% of the transaction on all cross-border transactions (even those with no currency conversion). Therefore, you will be charged 1.100% of the dollar amount on all cross-border transactions - i.e., transactions processed through the "Global Clearing Management System" or the "MasterCard® Debit Switch" when the country of the merchant or machine is different than your country, as cardholder.

SERVICES PROVIDED THROUGH USE OF ABC Telephone Transfers

You may perform the following functions through use of Automated Banking Center(ABC) Telephone Transfers.

You may initiate transfers of funds between your checking and money market accounts, Checking and Statement Savings Accounts, and Statement Savings & Money Market Accts.

You may make balance inquiries on your checking account(s), savings account(s), and money market account(s).

You may make payments on home mortgage loans that you have with us.

You may change your PIN via the telephone.

PRAUTHORIZED TRANSFER SERVICES

You may arrange for the preauthorized automatic deposit of funds to your checking account(s), money market account(s), and Statement Savings Account(s).

You may arrange for the preauthorized automatic payment of bills from your checking account(s), money market account(s), and Statement Savings Account(s).

SERVICES PROVIDED THROUGH USE OF INTERNET BANKING

Marblehead Bank offers its customers use of our Internet Banking service.

Computer Transfers- Types of Transfers - You may access your account(s) by computer by using your personal identification number and a user identification number to: Transfer funds from checking, statement savings, or money market accounts to another checking, statement savings, or money market account; Make payments from checking to loan accounts with us; Make payments from checking to third parties; Make payments from statement savings to loan accounts with us; Make payments from money market accounts to loan accounts with us; Get information about: - the account balance of your checking, money market, savings accounts;-history of your account including withdrawal, deposits, and checks.

ELECTRONIC CHECK CONVERSION

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or to pay bills.

LIMITATIONS ON TRANSACTIONS

TRANSACTION LIMITATIONS - ATM CARD

POINT OF SALE LIMITATIONS - You may buy up to \$1,000.00 worth of goods or services in any one day through use of our Point of Sale service.

TRANSACTION LIMITATIONS - DEBIT CARD

POINT OF SALE LIMITATIONS - You may buy up to \$1,250.00 worth of goods or services in any one day through use of our Point of Sale service. You can use our Point of Sale service for up to 20 transactions in any one day.

TRANSACTION LIMITATIONS - ATM CASH WITHDRAWALS

You may withdraw any number of times each day up to the available balance, or your daily withdrawal limit (\$800.00) (customer may request a lesser amount), whichever is less.

OTHER LIMITATIONS

The terms of your account(s) may limit the number of withdrawals you may make each month. Restrictions disclosed at the time you opened your account(s), or sent to you subsequently will also apply to your electronic withdrawals and electronic payments unless specified otherwise.

Listed below are access devices that may be used to access a line of credit account, and the line of credit accounts that may be accessed. The amount of any cash advance available through use of your access device is subject to your separate agreement with Marblehead Bank, if any. Please refer to your Line of Credit Agreement for disclosures related to such limitations.

Debit Card: Ca\$hline Account

We reserve the right to impose limitations for security purposes at any time.

You may not have access to your Statement Savings Account and your Money Market Account at some international ATM Terminals. LIMITS ON TRANSFERS FROM CERTAIN ACCOUNTS. Federal regulation limits the number of checks, telephone transfers, online transfers and preauthorized electronic transfers to third parties (including Point of Sale transactions) from money market and savings type accounts. You are limited to six such transactions from each money market and/or savings type account(s) you have each month for purposes of making a payment to a third party or by use of a telephone or computer.

NOTICE OF RIGHTS AND RESPONSIBILITIES

The use of any electronic fund transfer services described in this document creates certain rights and responsibilities regarding these services as described below.

RIGHT TO RECEIVE DOCUMENTATION OF YOUR TRANSFERS

TRANSACTION RECEIPTS. Depending on the location of an ATM, you may not be given the option to receive a receipt if your transaction is \$15.00 or less. Upon completing a transaction of more than \$15.00, you will receive a printed receipt documenting the transaction (unless you choose not to get a paper receipt). These receipts (or the transaction number given in place of the paper receipt) should be retained to verify that a transaction was performed. A receipt will be provided for any transaction of more than \$15.00 made with your ATM card or Debit Card at a Participating Merchant. If the transaction is \$15.00 or less, the Participating Merchant is not required to provide a receipt.

PERIODIC STATEMENTS. If your account is subject to receiving a monthly statement, all EFT transactions will be reported on it. If your account is subject to receiving a statement less frequently than monthly, then you will continue to receive your statement on that cycle, unless there are EFT transactions, in which case you will receive a monthly statement. In any case you will receive your statement at least quarterly.

PREAUTHORIZED DEPOSITS. 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 can call us at 781-631-5500 or 1-800-475-1871 to find out whether or not the deposit has been made.

PASSBOOK ACCOUNTS. If the only type of electronic fund transactions are preauthorized deposits you will not receive a statement for your Passbook account. If you bring your Passbook to us, we will record any electronic deposits that were made to your account since the last time you brought in your Passbook. You will not receive a periodic statement noting these transactions on your Passbook account.

DOCUMENTATION AS EVIDENCE OF TRANSFER. Any documentation that is provided to you which indicates that an electronic fund transfer was made shall be admissible as evidence of such transfer and shall constitute **prima facie** proof that such transfer was made to another person.

RIGHTS REGARDING PREAUTHORIZED TRANSFERS

RIGHTS AND PROCEDURES TO STOP PAYMENTS. If you have instructed us to make regular preauthorized transfers out of your account, you may stop any of the payments. To stop a payment,

call us at:

781-631-5500 or 1-800-475-1871

or write to:

Marblehead Bank

ATTN: Deposit Operations

21 Atlantic Ave.

P.O. Box 27

Marblehead, MA 01945

We must receive your call or written request at least three (3) business days prior to the scheduled payment. If you call, please have the following information ready: your account number, the date the transfer is to take place, to whom the transfer is being made and the amount of the scheduled transfer. If you call, we may require you to put your request in writing and deliver it to us within fourteen (14) days after you call.

YOUR ABILITY TO STOP PAYMENT. Unless otherwise provided in our Agreement, you may not stop payment of electronic fund transfers, therefore you should not employ electronic access for purchases or services unless you are satisfied that you will not need to stop payment.

The initiation by you of certain electronic fund transfers from your account will, except as otherwise provided in our Agreement, effectively eliminate your ability to stop payment of the transfer.

NOTICE OF VARYING AMOUNTS. If you have arranged for automatic periodic payments to be deducted from your checking or savings account and these payments vary in amount, you will be notified by the person or company you are going to pay ten days prior to the payment date of the amount to be deducted. 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.

OUR LIABILITY FOR FAILURE TO STOP PREAUTHORIZED TRANSFER PAYMENTS. If you order us to stop one of the payments and have provided us with the information we need at least three (3) business days prior to the scheduled transfer, and we do not stop the transfer, we will be liable for your losses or damages.

YOUR RESPONSIBILITY TO NOTIFY US OF LOSS OR THEFT

If you believe your ATM card or Debit Card or PIN or internet banking access code has been lost or stolen, call us at:

781-631-5500 or 1-800-475-1871 (8:30 a.m. to 4:00 p.m.)

or write to:

Marblehead Bank
Deposit Operations
21 Atlantic Ave.
P.O. Box 27
Marblehead, MA 01945

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.

CONSUMER LIABILITY

Tell us at once if you believe your ATM card or Debit Card or PIN or internet banking access code has been lost or stolen or used without permission 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.

Your liability shall not exceed \$50.00 for any unauthorized electronic fund transfer or a series of transfers arising from a single loss or theft of your ATM card or Debit Card or PIN.

Also, if your statement shows transfers 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 transmitted 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.

CONSUMER LIABILITY FOR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARD

The limitations on your liability for unauthorized transactions described above generally apply to all electronic fund transfers. However, different limitations apply to certain transactions involving your card with the MasterCard® logo. These limits apply to unauthorized transactions processed on the MasterCard® Network.

If you promptly notify us about an unauthorized transaction involving your card and the unauthorized transaction took place on your MasterCard® branded card, including any PIN-based ATM or POS transactions, zero liability will be imposed on you for the unauthorized transaction. In order to qualify for the zero liability protection, you must have exercised reasonable care in safeguarding your card from the risk of loss or theft and, upon becoming aware of such loss or theft, promptly reported the loss or theft to us. For commercial accounts, zero liability protection will only apply to transactions conducted with a card issued for a commercial purpose under a "small business" program as described on www.mastercardbusiness.com (information found under "Small Business", then select the "Products" tab).

ILLEGAL USE OF DEBIT CARD. You agree not to use your Debit Card for any illegal transactions, including internet gambling and similar activities.

TRUTH IN LENDING DISCLOSURE

You may be liable for the unauthorized use of your ATM card or Debit Card to access a line of credit. Please refer to your Line of Credit Agreement for disclosures related to your liability for unauthorized use.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR TRANSACTIONS

In case of errors or questions about your electronic fund transfers,

call us at:
781-631-5500 or 1-800-475-1871
or write to:
Marblehead Bank
ATTN: Deposit Operations
21 Atlantic Ave.
P.O. Box 27
Marblehead, MA 01945

or email us at: customercare@marblebank.com
or use the current information on your most recent account statement.

Notification should be made as soon as possible if you think your statement or receipt is wrong or if you need more information about a transaction listed on the statement or receipt. You must contact Marblehead Bank no later than 60 days after it sent you the first statement on which the problem or error appears. You must be prepared to provide the following information:

- Your name and account number.
- A description of the error or transaction you are unsure about along with an explanation as to why you believe it is an error or why you need more information.
- The dollar amount of the suspected error.

If you provide oral notice, you may be required to send in your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days (twenty (20) business days for new accounts) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days for new accounts and foreign initiated or Point of Sale transfers) to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days (twenty (20) business days for new accounts) for the amount which you think is in error, so that you will have the use of the money during the time it takes to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account. The extended time periods for new accounts apply to all electronic fund transfers that occur within the first thirty (30) days after the first deposit to the account is made, including those for foreign initiated or Point of Sale transactions.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

LIABILITY FOR FAILURE TO COMPLETE TRANSACTION

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 will be liable for your losses or damages as provided by law. However, there are some exceptions. We will NOT be liable, for instance:

- If through no fault of ours, you do not have enough money in your account to make the transfer.
- If the transfer would result in your exceeding the credit limit on your line of credit, if you have one.
- If the electronic terminal was not working properly and you knew about the breakdown before you started the transfer.
- If circumstances beyond our control (such as fire or flood, computer or machine breakdown, or failure or interruption of communications facilities) prevent the transfer, despite reasonable precautions we have taken.
- If we have terminated our Agreement with you.
- When your ATM card or Debit Card has been reported lost or stolen or we have reason to believe that something is wrong with a transaction.
- If we receive inaccurate or incomplete information needed to complete a transaction.
- In the case of preauthorized transfers, we will not be liable where there is a breakdown of the system which would normally handle the transfer.
- If the funds in the account are subject to legal action preventing a transfer to or from your account.
- If the electronic terminal does not have enough cash to complete the transaction.

There may be other exceptions provided by applicable law.

CHARGES FOR TRANSFERS OR THE RIGHT TO MAKE TRANSFERS

The following fees and charges may be imposed on your checking account.

ATM-Trans @ Foreign Terminal	\$2.00
Balance Inquiry Charge @ Foreign Terminal	\$2.00

DISCLOSURE OF ACCOUNT INFORMATION

You agree that merchant authorization messages transmitted in connection with Point of Sale transactions are permissible disclosures of account information, and you further agree to release Marblehead Bank and hold it harmless from any liability arising out of the transmission of these messages.

We will disclose information to third parties about your account or electronic fund transfers made to your account:

1. Where necessary to complete a transfer or to investigate and resolve errors involving the transfer(s); or
2. In order to verify the existence and condition of your account for a third party such as a credit bureau or merchant; or
3. To an attorney or collection agency employed by us; or
4. In order to comply with government agency or court orders; or
5. When the person is authorized to have access to our records as part of their official duties; or
6. With your written consent that expires forty-five days after receipt by us.

DEFINITION OF BUSINESS DAY

Business days are Monday through Friday excluding holidays.

AMENDING OR TERMINATING THE AGREEMENT

We may change or amend any of the terms and conditions of the Agreement and those portions of the applicable fee schedules which relate to EFT services, at any time upon at least 30 days written notice to you prior to the effective date of the change or amendment. Your failure to timely furnish notice as set forth in the written notice shall be deemed to be your acceptance of such change or amendment. If you do not agree to abide by a change or amendment, you must notify Marblehead Bank of the fact prior to the effective date of the change or amendment and cancel this Agreement. Marblehead Bank may cancel this Agreement at any time, without giving you prior notice. If you or Marblehead Bank cancels this Agreement at any time, you shall surrender your ATM card or Debit Card and you may no longer use any of Marblehead Bank's EFT services other than the automated clearing house transfer services set forth above.

TERMINATION. You may terminate your right to any of the services that you have agreed to under this Agreement by giving us written notice. For preauthorized transfers, you must terminate any agreement authorizing transfers to or from your account by notifying the person or company initiating the transfer. You will remain obligated to us under this Agreement for all of your transactions, even if they occur or are completed after this Agreement has ended. Termination of your electronic fund transfer service does not terminate your account(s) with us. Closing the account to which the service relates simultaneously terminates your electronic fund transfer service. We may terminate any of the services that have been agreed to under this Agreement for any reason and at any time without prior notice to you. If the account is a joint account, any owner of the account may terminate this Agreement, and the termination will apply to all joint owners on the account. If either you or we terminate your services under this Agreement, we will no longer have to complete any of your electronic fund transactions.

NOTICE OF ATM SAFETY PRECAUTIONS

SAFETY PRECAUTIONS FOR ATM TERMINAL USAGE. Please keep in mind the following basic safety tips whenever you use an ATM:

- Have your ATM card or Debit Card ready to use when you reach the ATM. Have all of your forms ready before you get to the machine. Keep some extra forms (envelopes) at home for this purpose.
- If you are new to ATM usage, use machines close to or inside a financial institution until you become comfortable and can conduct your usage quickly.
- If using an ATM in an isolated area, take someone else with you if possible. Have them watch from the car as you conduct your transaction.
- Do not use ATMs at night unless the area and machine are well-lighted. If the lights are out, go to a different location.
- If someone else is using the machine you want to use, stand back or stay in your car until the machine is free. Watch out for suspicious people lurking around ATMs, especially during the times that few people are around.
- When using the machine, stand so you block anyone else's view from behind.
- If anything suspicious occurs when you are using a machine, cancel what you are doing and leave immediately. If going to your car, lock your doors.
- Do not stand at the ATM counting cash. Check that you received the right amount later in a secure place, and reconcile it to your receipt then.
- Keep your receipts and verify transactions on your account statement. Report errors immediately. Do not leave receipts at an ATM location.

ADDITIONAL PROVISIONS

Your account is also governed by the terms and conditions of other applicable agreements between you and Marblehead Bank.

You agree not to reveal your PIN to any person not authorized by you to access your account.

PROTECTED CONSUMER USE

Chapter 167B of the Massachusetts General Laws was enacted to provide a means for financial institutions, businesses, and consumers to conduct their business relations more conveniently. Transferring funds electronically will supplement the use of checks, credit, and cash and will not replace these present methods of doing business. As a consumer, you should be aware of your rights if you choose to this system.

(1) Prohibition of compulsory use. No person may: require you to use a preauthorized electronic fund transfer as a condition of the

extension of credit unless the credit is being extended in connection with an overdraft checking plan, or is being extended to maintain a specified balance in your account; or require you either to accept a transfer service or to establish an account which is accessed electronically as conditions of employment or receipt of governmental benefit; or require you to pay electronically for the purchase of goods or services. If your account is to be credited by a preauthorized transfer you may choose the financial institution to which the transfer may be made, if the institution is technically capable of receiving such preauthorized transfer.

(2) Waiver of rights. No writing or agreement signed by you can waive the rights conferred to you by Chapter 167B of the Massachusetts General Laws unless you decide to waive these rights in settlement or a dispute or action.

(3) Refunds. If it is the policy of a store or retail business to give cash refunds in return for an item purchased by cash, then this policy must also cover refunds for the items purchased by electronic fund transfer unless it is clearly disclosed at the time the transaction is consummated that no cash or credit refunds are given for payments made by electronic fund transfers.

(4) Suspension of obligations. If a person agrees to accept payment by means of an electronic fund transfer and the system malfunctions preventing such a transfer, then the consumer's obligation is suspended until the transfer can be completed, unless that person, in writing, demands payment by other means.

(5) Prohibited means of identification. Your Social Security number cannot be used as the primary identification number although it can be used as secondary aid to identify you.

(6) Criminal liability. Procuring or using a card, code or other means of electronic access to an account with the intent to defraud is a basis for criminal liability.

Please refer to Truth In Savings Disclosures for further information on accounts accessible through Electronic Fund Transfers.