



ELECTRONIC FUND TRANSFERS

YOUR RIGHTS AND RESPONSIBILITIES

Effective December 10, 2015

Please read this disclosure carefully because it tells you your rights and obligations for these transactions. You should keep this notice for future reference. As used in this document, the words "we", "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

We provide a variety of electronic funds transfer (EFT) deposit services. These include all transfers resulting from debit cards, ATM cards, electronic payments, credits and transfers, and online banking transactions. We may issue you an access device, such as a card, personal identification number (PIN) or other means of accessing your account to initiate EFTs. Our business days for conducting EFT services are all days except Saturdays, Sundays and federal holidays.

TYPES OF ELECTRONIC FUNDS TRANSFER SERVICES

(a) **ATM and Debit Cards.** You can use your ATM card or debit card (either is called a "Card") as follows:

At ATMs to:

- Withdraw cash;
- Transfer funds;
- Find out balances;
- Make deposits.*
- Obtain a copy of recent account activity.*

Please note: Services marked with an asterisk (*) may only be available at Mercantile Bank of Michigan ATMs. Services are available only for designated accounts linked to your Card. When linking multiple accounts to your Card, one checking account and one savings account will be designated as primary.

A non-Mercantile ATM may only be used if it participates in the VISA®, PLUS®, CIRRUS® or ACCEL/Exchange® networks and on those networks your primary checking and savings accounts are accessible, and other linked accounts may be accessible. Outside the U.S., only your primary checking account is generally accessible. There is no charge for ATM deposits or withdrawals at machines owned by us. If you perform a transaction or conduct a balance inquiry at an ATM that we do not own, you may be charged a fee by the operator of that machine. We will automatically reimburse up to four ATM deposit or withdrawal fees charged by ATMs located in the United States of America (USA) per cardholder per calendar month. Other ATM fees, such as balance inquiries or transfers will not be refunded by Mercantile Bank of Michigan. Mercantile Bank of Michigan will not be responsible for reimbursing fees for any ATM transactions conducted outside of the USA.

ATM and Debit Cards can be used at participating Merchants to:

- Purchase goods and services. Purchases are subtracted from your primary checking account. If you have arranged with your merchant to pay for your purchases via periodic payments, you must notify the merchant if your card number or expiration date has changed or your Card or account is closed.
- Withdraw cash from your primary checking account while making a purchase of goods or services if permitted by the merchant.
- Obtain a teller cash withdrawal. Withdrawals are subtracted

from your primary checking account.

(b) **Payments, Credits and Transfers.** You can send or receive electronic transfers from or to your accounts. We may do this by ACH (as a member of a national or local automated clearinghouse association) or other similar networks. Electronic transfers may take various forms such as:

- Automatic electronic deposits to your account, such as payroll or benefits payments;
- Automatic one-time or repeating charges to your account for bill payments, sent by a merchant or other payee with your authorization. The merchant or payee may ask you for your bank number and account information from your check or a canceled check to create these orders;
- An Electronic Check Conversion where 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 pay bills.

(c) **Online Banking and Mobile Banking.** You may use online banking or Mobile Banking to view your account information, make deposits, transfer funds between your Mercantile accounts, transfer funds between your Mercantile accounts and accounts you own at other financial institutions, pay qualifying Mercantile loans or credit cards, or make payments from your checking account to third parties. Enroll for these services on our website, www.mercbank.com. You must agree to the additional disclosures and specific terms for using the online banking services provided to you when you enroll.

(d) **Telephone Transfers.** You may access your account(s) by telephone at (800) 453-8700 using a touch tone phone, your account numbers, and your Personal Identification Number to receive account information, transfer funds between your Mercantile accounts, and make payments to qualifying Mercantile loans.

(e) **Virtual Banking Machine.** You may use our Virtual Banking Machine to receive account information, make deposits, make withdrawals, transfer funds between your Mercantile accounts, or make payments to Mercantile loans or credit cards. You may be required to provide identification such as a photo ID or verify information we have on file for you and/or your accounts to the Virtual Banking Specialist in order to complete transactions at a Virtual Banking Machine.

(f) **Overdraft Protection Transfers.** Transfers to and from your accounts for Overdraft Protection are also subject to these terms.

IMPORTANT INFORMATION AND AGREEMENTS ABOUT YOUR ATM OR DEBIT CARD

(a) **Authorizations.** Most merchants ask us to authorize your purchase. We may authorize or refuse to authorize a transaction based on a different amount than the authorization request, because some merchants (such as "pay at the pump" for fuel) request authorization for an amount that is unrelated to the actual amount of the purchase.

(b) **Holds.** When we give authorization to a merchant, we will reserve or place a hold on funds in your account, generally for 3 business days, to pay for your purchase. However, for some types of purchases we may place a hold for a longer period. There are times - for example, at restaurants or for gas purchases, car rentals or hotels - that merchants won't know the exact amount of your purchase when they request the authorization. If the authorization is more or less than your actual purchase amount, the hold may remain even after your purchase amount is paid from your account. The purchase amount will be paid from your account whenever the merchant sends it to us, even if that is after the hold has expired.

(c) **Returning or Canceling your Card.** You must return the Card if we request that you do so. We may cancel your Card at any time without notice. You may cancel your Card by calling us. If you do, please destroy the Card.

(d) **Our Right to Refuse Transactions.** We can refuse to authorize any

transaction when your Card has been reported lost or stolen or when we reasonably believe there is potentially fraudulent, suspicious, or illegal activity on your account.

(e) **Foreign Exchange Transactions.** The exchange rate applied to Card transactions that occur in a different currency will be either:

- A rate selected by the network that processes the transaction from the range of rates available in wholesale currency markets for the date it processes the transaction (this rate may be different than the rate the network receives); or
- The government-mandated rate in effect for the date the network processes the transaction.

This exchange rate may differ from the rate on the date you used your Card. VISA® will add an Exchange Rate Adjustment fee to the amount the network charged us for foreign currency transactions.

(f) **Debit or Credit.** A merchant may ask you if your debit card purchase is "Debit or Credit." You have two choices. In both instances your purchase will be subtracted directly from your checking account.

- **If you choose debit:** Select "Debit" or "ATM," and you must enter your PIN.
- **If you choose credit:** Select "Credit" and sign the receipt if required. For some small dollar purchases and when you pay at the gas pump, you may not need to provide a signature.

(g) **ATM Safety and Safeguarding Your Account Information.**

Be safe at ATMs - Your safety is our chief concern. We advise you to always use common sense and be aware of your surroundings before, during and after any ATM use.

Keep your debit or ATM Card PIN confidential - Never give your PIN to anyone, don't write it down anywhere, and avoid carrying it with you. In addition, to keep your Card information safe, you should do the following:

- Change your PIN from time to time and choose a PIN that others can't easily figure out. For example, don't use your birthday or telephone number.
- To change your PIN (or if you forget your PIN), visit any branch or call us at 1-800-992-3808.
- A Mercantile employee will never ask you for your PIN or the numbers on the back of your Card.

Report a lost or stolen Card immediately - You must notify us immediately if your Card is lost or stolen, or if you discover any other error.

Protect your Card as you would a credit card or cash.

LIMITATIONS ON TRANSFERS, AMOUNTS, AND FREQUENCY OF TRANSACTIONS

To protect your accounts, there are daily limits for ATM withdrawals and Card purchases, even if your available balance is higher than the daily dollar limit. However, we may allow transactions that exceed your limit. Your Card limits are as follows:

- Cash withdrawals from a checking or savings account—you may withdraw no more than 4 (four) timers per day
- Mercantile Bank Standard Debit Card - \$505.00 (ATM), \$1,000.00 (Debit-PIN), \$2,000.00 (Credit-Signature)
- Executive Banking Debit Card - \$1,010.00 (ATM), \$1,000.00 (Debit-PIN), \$5,000.00 (Credit-Signature)
- Student Debit Card - \$105.00 (ATM), \$150.00 (Debit-PIN), \$500.00 (Credit-Signature)
- HSA Debit Card - \$305.00 (ATM), \$1000.00 (Debit-PIN), \$3,500.00 (Credit-Signature)
- ATM Card - \$505.00 (ATM), \$500.00 (Debit-PIN)

We may change your limits, and will notify you if we do so. If you don't know your limits or would like to change these limits, please call us. If we suspect fraud on your account, we may temporarily lower your limits without notice.

Transfers from a Savings or Money Market account to another account or to third parties by preauthorized, or automatic transfer, check, draft, debit card or similar order (including POS transactions) or telephone (including data transmission) agreement, order or instruction are limited to 6 (six) per 4 (four) week or similar period.

Card access to your account will be suspended if we consider your account to be inactive or dormant, and may be suspended if we suspect that your Card may have fraudulent activity or for any other reason where we believe there is a risk to you or us. We do not require you to maintain a minimum balance in any account as a condition of using an access device (card or PIN). You must however have sufficient funds in your account to cover your transaction amount.

You have the option to limit the amount of cash that can be withdrawn by your ATM and/or debit card to \$50 per day or some other amount acceptable to us. You may also limit access through an electronic terminal to one or more accounts.

RECEIPTS AND STATEMENTS

You will receive or have the option to receive a receipt at ATMs and merchant locations each time you make a transaction, except for certain small dollar transactions.

You will receive monthly statements if you have an electronic funds transfer in that month. If you do not, you will receive at least quarterly statements.

If you have arranged to have direct deposits to your account at least once every 60 days from the same person or company, you can use online banking or an ATM, or call us at the telephone number at the end of this disclosure to find out whether or not the deposit has been made.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS

Call or write us at the telephone number or address at the end of this disclosure if you think your statement or receipt is wrong, or if you need more information about a transaction listed on the statement or receipt.

We must hear from you NO LATER than 60 days after we sent you the FIRST statement on which the error appeared. Please provide us with the following:

- Your name and account number;
- A description of the error or the transfer you are unsure about, or an explanation why you believe it is an error or want more information.
- The dollar amount of the suspected error

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. However, if we need more time, we may take up to 45 days to investigate your complaint or question. If we do this, we will credit your account within 10 business days 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 your account was opened less than 30 days prior to the date of the suspected error, the 10-business day period is extended to 20 business days. If your account was opened less than 30 days prior to the date of the suspected error or the transaction occurred at a point-of-sale location or outside the U.S., the 45-day period is extended to 90 days.

If you do call us, we may require that you send us your complaint or question in writing within 10 business days. If we do so and do not receive it with 10 business days, we may not credit your account.

We will tell you the results within 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.

OUR LIABILITY FOR FAILURE TO COMPLETE TRANSACTIONS

If we do not complete a transaction from your account on time or in the correct amount, we will be liable for your losses or damages. But there are exceptions. For example, we will not be responsible if:

- Due to no fault of ours your account does not have sufficient funds to make the transaction;
- The ATM where you are making a withdrawal does not have enough cash;
- The ATM was not working properly and you knew about the breakdown when you started the transaction;
- Circumstances beyond our control (such as fire or flood) prevent the transaction and we took reasonable precautions;
- For preauthorized credits, third party data was not received, is incomplete or erroneous or if the recipient is deceased;
- We consider your account to be inactive or dormant.

STOP PAYMENT FOR PREAUTHORIZED (REPEATING) TRANSFERS

If you have arranged, in advance, to make repeating payments out of your account, you can stop any of those payments.

- To place a stop payment request, you must give us an oral or written stop payment order using the phone number or address listed at the end of this disclosure, or in person at a branch, or by making an electronic stop payment order through online banking. We must receive your request three or more business days before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. (Note: If the preauthorized transfer was scheduled through our online banking services, see your Online Service Agreement or call Online Support at the telephone number listed at the end of this disclosure for information on stopping payments that are pending or in process). We will provide you a 14 calendar-day notice if written confirmation is required.
- You must give us the exact account number and the exact amount of the payment so we can identify the item. You also must notify the payee that you have withdrawn your authorization for the repeating electronic payments.
- We will send a confirmation notice of stop payment within 10 business days of the receiving the stop payment order. If the information contained on the confirmation notice is not correct, contact us immediately to amend or revoke the stop payment order. Your stop payment order is effective until it is withdrawn by an account owner.
- A Stop Payment fee will apply.

If these regular payments 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 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.

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 will be liable for your losses or damages.

RECORDING OF INFORMATION AND DISCLOSURE TO THIRD PARTIES

We may disclose information about your accounts or the transfers you made to third parties:

- As necessary for completing transactions;
- In order to verify the existence and condition of your account for a third party such as, for example, a credit bureau, a merchant or another financial institution;
- Where required by a federal, state, or local law or regulation to do so;
- In response to a subpoena or are ordered by a court to do so;
- In the investigation or prosecution of alleged fraudulent activity concerning your accounts;
- If you give us permission;
- As may be otherwise authorized in other agreements with us and as set forth in our Privacy Notice.

SERVICES NOT COVERED BY THIS PART; SEPARATE AGREEMENTS

EFT services described in this disclosure do not include wire transfers or other transactions that are not covered by Federal Reserve Board Regulation E.

FEES

Fees for all EFT services are disclosed in our Service Charge Disclosure and product information.

CONSUMER LIABILITY

You will not be liable for an unauthorized use of your account through an electronic funds transfer unless we can prove that your negligence substantially contributed to the unauthorized use and that we exercised reasonable care to prevent the loss.

Tell us AT ONCE if you believe your Card or PIN 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 two business days after you learn of the loss or theft of your card or PIN, you can lose no more than \$50.00 if someone used your Card or PIN without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped the unauthorized transactions if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make, including those made by Card, PIN 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 prevented the transactions 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.

Special Provisions for Card Transactions (VISA® Zero Liability protection): If your Card is lost or stolen, or your Card Number is used without your authorization, if you notify us promptly, you are not liable for any unauthorized transactions, including transactions made at merchants, over the telephone, at ATMs or on the Internet.

REGULATORY AUTHORITY

If you believe that any provision of the Michigan Electronic Funds Transfer Act has been violated you should notify:

Department of Insurance and Financial Services
Box 30220, Lansing, MI 48909

Federal Deposit Insurance Corporation (FDIC)
2345 Grand Blvd., Ste. 100, Kansas City, MO 64108

CONTACT IN EVENT OF UNAUTHORIZED TRANSFER

If you believe your Card or PIN has been lost or stolen, call or write us at:

Mercantile Bank of Michigan
310 Leonard St. NW
Grand Rapids, MI 49504
1-800-453-8700