



ELECTRONIC BANKING SERVICES INFORMATION STATEMENT

This Statement summarizes certain rights and responsibilities which you (our customer) and we (the Bank) have under the Electronic Fund Transfer Act. It applies when you use our electronic banking services.

“Electronic Banking Service” (or EFT Service) means a banking service in which you or someone else uses electronic means to make deposits (credits) to or withdrawals (debits) from your checking or savings account. It also includes a purchase or “purchase and cash back” transaction at a retail store using your HSBC Debit MasterCard® with *PayPass*TM (Debit MasterCard®), even if the debit to your checking account is not made by electronic means until later. These transactions are collectively referred to in this Statement as “EFT transactions.”

An EFT transaction is made by electronic means when, for instance, it is made at an Automated Teller Machine (ATM) such as a Bank ATM, by using Internet Banking Service, by computer tape, or in some cases, by telephone.

EFT transactions also occur when there is an electronic check conversion, a merchant (or their agent) sends through an electronic debit for the amount of a returned check plus a fee, and a qualifying computer initiated bill payment. A computer initiated bill payment is not an EFT transaction where the bill payment service expressly provides that payment will be made to all or particular payees with a written instrument drawn on your account and all payees that will be paid in this manner are identified to you.

Credit transactions (for example, obtaining a loan or making a credit card purchase or cash advance) do NOT involve EFT Services.

The kinds of EFT Services covered by this Statement and the terms that apply to each are set forth below.

EFT CARD SERVICE

KINDS OF EFT TRANSACTIONS

You may use a properly encoded Debit MasterCard®, ATM, or MasterCard® or Visa® card (the Card) plus your Personal Identification Number (PIN) at any EFT Facility (e.g., ATM, such as a Bank ATM, point-of-sale terminal or other electronic facility) that accepts the Card to do one or more of the following, depending on the EFT Facility:

Withdraw cash from your checking or savings account; Make payments with cash or check; Make deposits to your checking or savings account; Transfer funds between your checking and savings accounts*.
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You may use a properly encoded Debit MasterCard®, ATM, or MasterCard® or Visa® card (plus your PIN, if required) at a retail store that accepts the Card to pay for goods or services (or to pay and also get cash back) from your checking account.

*You may also perform balance inquiries at some EFT Facilities. These transactions are not EFT transactions and are not subject to these rules.

You may use the Card and PIN for EFT transactions *only with the accounts which you requested be linked to the Card*. You may not use them for EFT transactions involving other deposit accounts.



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:

- (i) Pay for purchases
- (ii) Pay bills

LIABILITY FOR USE

You are responsible for any EFT transaction you make with the Card or PIN. You are also responsible for any EFT transaction made by someone else to whom you have given your Card or PIN until you notify us that the person no longer has your permission to use them.

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). Also, if your monthly statement shows EFT transactions made with your Card or PIN that you did not make (or give someone permission to make for you), 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 lost after the 60 days, if we can prove 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.

WHERE TO CALL

If you believe your Card or PIN has been lost or stolen or that someone has or may use them to withdraw money from your deposit account without your permission, telephone the number or write to the address shown on the BANK DIRECTORY (at the end of this booklet) for reporting lost or stolen cards and PINs.

LIMITATIONS ON EFT TRANSACTIONS

There is a minimum amount of \$20 and a maximum of \$500 you can withdraw at any one time at our automated teller machines and a maximum amount of \$1000 you can withdraw per day. The applicable limits are shown on each machine.

There is a maximum limit of \$5,000 on purchase or "purchase and cash back" transactions per day at a retail store using your Debit MasterCard®.

Only six preauthorized, automatic, computer or telephone transfers can be made from your savings account to another account in any month. (A month may be either a calendar month or a statement cycle month.)

There may be different or additional limits on cash you can receive at an EFT Facility not operated by us. There may also be limits on the amount of cash you can deposit at an EFT Facility.

For security reasons, there are other limitations on the amount and frequency of EFT transactions you can make at an EFT Facility.

CHARGES FOR EFT TRANSACTIONS

Charges for EFT transactions occurring at EFT Facilities are fully disclosed in the separate folder "EFT Facility Charges."



You can get a receipt showing details of your EFT transaction when you use your Card and PIN at an EFT Facility.

EFT transactions originated at an EFT Facility are subject to our verification and to our ability to complete them by posting to an account linked to your Card.

PREAUTHORIZED CREDIT SERVICE

KINDS OF EFT TRANSACTIONS

You may arrange to have third persons make regular deposits *to* your checking or savings account by electronic means.

RIGHT TO CONFIRMATION

If you are scheduled to receive deposits on this basis at least once every 60 days, you can call us at the branch where you keep your account (see the telephone number on your monthly statement) to find out whether the deposit has been made.

CHARGES FOR DEPOSITS

No additional charge is imposed on your account because you have this service.

PREAUTHORIZED DEBIT SERVICE

KINDS OF EFT TRANSACTIONS

You may arrange to have third persons make regular withdrawals directly *from* your *checking* account by electronic means.

You may also arrange with us to make automatic transfers into, out of, or between your deposit accounts with us, but these arrangements are not covered by this Statement.

CHARGES FOR WITHDRAWALS

No additional charge is imposed on your deposit account because you have this service.

RIGHT TO STOP PAYMENT

If you have arranged with a third person to make regular withdrawals from your account, you can stop any of those withdrawals. Here's how:

Call the branch that has your account (see the telephone number on your monthly statement) or write the branch at the address shown there so we receive your request at least 3 business days before the withdrawal is scheduled to be made. If you telephone us, we may require you to put your request in writing and get it to us within 14 days after you call. We will charge you the current stop payment fee (see deposit "Terms and Charges Disclosure") for each stop payment you give.

HSBC

LIABILITY FOR FAILURE TO STOP PAYMENT

If you do order us to stop one of these withdrawals at least 3 business days before the EFT transaction is scheduled and we do not do so, we will be liable for your losses or damages.

NOTICE OF VARYING AMOUNTS

If these regular withdrawals vary in amount, the person being paid should tell you 10 days before each withdrawal when it will be made and how much it will be. You may choose instead (by agreement with the payee) to get that notice only when the withdrawal would differ by more than an agreed amount from the previous withdrawal, or when the amount would fall outside limits that you set.

LIMITS ON EFT TRANSACTIONS

We will make these withdrawals only if you have sufficient funds in your account. If, on the other hand, you have an Overdraft Loan Agreement with us, you may also draw on the credit available under that Agreement.

GENERAL

These terms apply to all of the above EFT Services.

BUSINESS DAYS

Our business days are Monday through Friday, except Federal holidays.

RIGHT TO RECEIVE STATEMENTS

For a checking account and a Money Market Savings Account, you will get a monthly statement detailing EFT transactions involving EFT Services as well as other activity. For regular savings accounts, you will get a quarterly statement and a statement for any month in which EFT transactions involving an EFT Service are posted to your account.

DISCLOSURE OF ACCOUNT INFORMATION

We will disclose information to third parties about your deposit accounts or EFT transactions you make under the following circumstances:

1. We have entered into an agreement to have another party assist us in providing HSBC Bill Paying Service via Internet Banking. In order to carry out your instructions we will provide this party with, or it will receive from you, information about your designated accounts, your account transactions and your E-mail messages;
2. When it is necessary to complete EFT transactions;
3. In order to verify the existence or condition of your account for a third party such as a credit bureau, merchant, creditor, or financial institution;
4. To comply with a subpoena or other proper request from a governmental agency or a court order or judicial subpoena;
5. To collect any debt that you may owe to us or any of our affiliates;
6. We may collect information about you and share such information with any of our affiliates for purposes of considering your eligibility for other products or services;
7. We may collect customer account data for the purpose of learning about aggregate customer usage patterns, customer telephone inquiries and the effectiveness of Internet Banking and Bill Paying Services, but shall not disclose individual identifiable information except as provided in this Section; or
8. Whenever you give us your permission to do so.



LIABILITY FOR FAILURE TO COMPLETE EFT TRANSACTIONS

If we do not complete an EFT transaction on your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. 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 complete the EFT transaction or the account is closed.
- IF** the withdrawal would go over the credit limit on your overdraft line with us.
- IF** the EFT Facility where you are making a withdrawal does not have enough cash.
- IF** the EFT Facility or system was not working properly and you knew about the breakdown when you started the EFT transaction.

- IF** you have not properly followed instructions on how to make a transfer or bill payment or if your computer or software or telephone fails or malfunctions.
- IF** you have not given us complete, correct and current instructions so that we can make a transfer or bill payment.
- IF** you do not authorize a bill payment soon enough for your payment to be made and properly credited by the payee by the time it is due.
- IF** we make a timely bill payment but the payee nevertheless does not credit your payment promptly after receipt.
- IF** we have reason to believe that a transaction has not been properly authenticated or is fraudulent.
- IF** circumstances beyond our control or that of any component of the EFT Facility system (such as fire, loss of power, or flood) prevent the EFT transaction, despite reasonable precautions that have been taken.
- IF** the funds in your account are subject to legal process or other encumbrance restricting the transfer.

For any indirect, incidental, special or consequential damages if our failure was not intentional and resulted from a bona fide error, notwithstanding our procedures to avoid such error.

There may be other exceptions stated in our agreements with you.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR EFT TRANSACTIONS

Telephone the number or write to the address shown in the BANK DIRECTORY (at end of this booklet).

Do this as soon as you can if you think your statement or receipt is wrong or if you need more information about an EFT transaction listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.
2. Describe the error or the EFT transaction 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 us your complaint or question in writing within 10 business days.

We will tell you the results of our investigation within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will recredit 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 we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not recredit your account.

If a notice of error involves an EFT transaction that occurred within 30 days after the first deposit to the account was made, the time period for action listed above will be 20 business days in place of 10 business



days. If a notice of error involves an EFT transaction that was not initiated in any state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any of their political subdivisions; that resulted from a point-of-sale debit card transaction; or that occurred within 30 days after the first deposit to the account was made the time period for investigation listed above will be 90 calendar days in place of 45 calendar days.

If we decide that there was no error, we will send you a written explanation within 3 business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

BANK DIRECTORY

If you believe your Debit MasterCard®, ATM, MasterCard®, Visa® card or your Personal Identification Number (PIN) has been lost or stolen:

CALL

Within the U.S.
800-462-1874 (Toll Free)
In Buffalo 841-4880
Outside the U.S.
716-841-4880 (Collect)

OR WRITE

HSBC
P.O. Box 1257
Buffalo, New York 14240

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.

In case of errors or questions about your EFT transactions:

CALL

Within the U.S.
800-462-1874 (Toll Free)
In Buffalo 841-4880
Outside the U.S.
716-841-4880 (Collect)

OR WRITE

HSBC
P.O. Box 9
Buffalo, New York 14240