Steps for Reporting Unauthorized Electronic Transactions

What is Regulation E?
Regulation E protects individual customers using electronic funds transfers (EFT). Non-consumer accounts are not protected by Regulation E.

What is an EFT?
An EFT is any transfer of funds that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer's account. The term includes but is not limited to:

- Point of sale transfers
- Automated teller machine transfers
- Direct deposits or withdrawals of funds
- Transfers initiated by telephone
- Transfers resulting from debit card transactions, whether or not initiated through an electronic terminal
- Transfers initiated through internet banking and bill pay.

How does Regulation E apply to a consumer using Online Banking and/or BillPay?
Regulation E is a consumer protection law for accounts such as checking or savings, established primarily for personal, family, or household purposes. Non-consumer accounts, such as Corporation, Trust, Partnerships, LLCs, etc., are excluded from coverage. Regulation E provides consumers a means to notify their financial institution that an EFT has been made to their account without their permission. If you are unsure if your account is protected by Regulation E contact us.

What protections are provided to consumers under Regulation E for consumers who use Online Banking and/or BillPay?
If you believe an unauthorized EFT has been made to your account, contact us immediately. If you notify us within two business days after you learn of the unauthorized transaction the most you can lose is $50. Failure to notify the bank within two business days may result in losses up to $500.

No liability limit:
Unlimited loss to a consumer account can occur if:
- The periodic statement you receive reflects an unauthorized transfer of money from your account, and
- You don't report the unauthorized transfer to the bank within 60 days after the statement was mailed , and
- The loss could have been avoided if you had given timely notice.

How does Regulation E apply to a non-consumer using Online Banking and/or BillPay?
A non-consumer using Online Banking and/or BillPay is not protected under Regulation E. Because the customer is not protected by Regulation E special consideration should be made by the customer to review the controls in place to ensure that they are commensurate of the risk level that the customer is willing to accept.

What precautions should a non-consumer take because they are not protected by Regulation E?
As a non-consumer customer you should perform a risk assessment and periodically evaluate the controls you have in place. The risk assessment should be used to determine the risk level associated with any internet activities you perform and any controls in place to mitigate these risks.