



Online Internet Banking & Bill Pay Agreement/Disclosure

Agreement

This agreement and disclosure describes the terms governing the use of Kentland Bank Online Internet Banking. This agreement is effective at the point you elect to use our Online Banking. You agree to notify us of any change in your e-mail address. Future disclosure or changes in terms may be communicated to you by e-mail or by posting notice on our website: www.kentlandbank.com. These terms and conditions are in addition to those that apply to any accounts you have with us or any other services you obtain with us. This agreement, in conjunction with the "Service and Fee Schedule" brochure and any other supplemental disclosures, represents a contract with you and Kentland Bank and should be kept for future reference. In this agreement, the words "you" and "your" refer to you and to each other person using Online Internet Banking to access any account or service offered by Kentland Bank. "We" and "our" refer to Kentland Bank (and may be referred to as KB). The first time you access your accounts by using the KB Online Banking, you agree to abide by the terms and conditions of this agreement. This agreement will be governed by and constituted in accordance with Indiana state laws.

Your Password

To use our Online Banking, you must be at least 18 years of age; you must have at least one account with KB, and access to internet service. Once we have received your Online Banking application and verified your account information, we will send you by postal mail the letter of our acceptance of your enrollment. For business accounts, we require the Personal ID setup will be under the business name. For joint accounts, we require that each person have a separate Personal ID and password. Each person on a joint account will be liable for all transactions that are made on that account by all other joint account holders of the account. Each person with a joint account must have a separate Personal ID and password. Accounts requiring more than one signature may not be accessed through Online Banking, other than inquiry only. The Personal ID and password issued to you are for your security purposes. You will be required to change your password the first time that you sign on the system. You will then be required to change your password at least every 120 days. Your password is confidential and should not be disclosed to anyone! You may change your password at any time and we recommend that you change your password regularly. You are liable for all transactions made or authorized with the use of your password. KB has no responsibility for establishing the identity of any person who uses your password.

Password Reset Option

Once you have logged in and changed your password, there is a "**Reset Password**" security setting you must setup for your [Reset Password](#) option to work. To setup the security setting: Log into your NetTeller online banking. Go to tab labeled OPTIONS. Modify PERSONAL SETTINGS. Be sure your e-mail address is correct. Create a PASSWORD RESET question. Create an answer to that question. Click SUBMIT on bottom of page. Once you have security setting setup, anytime you forget or lock yourself out due to invalid password you can log in with NetTeller ID and select [Reset Password](#).

Online Banking Services

You can use Online Banking to review your account history, check the balance of your accounts, transfer funds between your allowable accounts with KB, view statements (3 months) of your checks and deposits, view and print images of checks and deposits as well as, send us e-mail. You can use Online Banking at your convenience at anytime. Some of our banking services may not be available occasionally due to system maintenance or an emergency. We will try to post notice of any extended periods of downtime. There are no charges for your use of the basic KB Online Banking services.

Security

Data transferred through Online Banking is encrypted in an effort to provide transmission security. You will be required to implement 128-bit encryption or higher for your internet browser for security purposes. Online Banking utilizes identification technology to verify that the sender and receiver of Online Banking transmissions can be appropriately identified by each other. ***On the other hand, e-mail transmissions are not as secure, so please do not put your account numbers or Social Security Number on any e-mail that you send to us.*** You understand the importance of your role in preventing misuse of your accounts with Online Banking and you agree to promptly examine your account statements for each of your accounts as soon as you receive them.

Your Personal ID, password and chosen watermark picture are intended to provide security against unauthorized entry and access to your accounts. Notify us immediately if you believe your Personal ID and password have been lost or stolen. If you contact us within 2 business days, you can lose no more than \$50.00 if someone used your Personal ID and password without your permission. If you do NOT contact us within 2 business days after you learn of the loss or theft of your Personal ID and password and we can prove we could have stopped someone from using your Personal ID and password to access your accounts without your permission if you had told us beforehand, you could lose as much as \$500.00. If your account statement shows transfers that you did not make, ***contact us immediately.*** If you fail to notify the bank within 60 days after the first statement on which the problem appeared was mailed to you, it is possible that none of your funds lost after the 60 day period will be returned to you if it is proven the loss of funds could have been prevented had you notified us in the time frame noted above. If a good reason (such as a long trip or hospital stay) keeps you from contacting us, we may extend the time periods. If you believe your Personal ID and/or password have been lost or stolen or that someone has transferred or may transfer money from your accounts without your permission, PLEASE CONTACT US IMMEDIATELY!

The best way is to call us at: **(219) 474-5155 or Toll Free (800) 850-5155** during business office hours: Monday- Friday 8:00 a.m. to 5:00 p.m., and Saturday 8:00 a.m. to 12:00 p.m., Central time zone. You can also write to us at: Kentland Bank, Attn: Internet Banking, P. O. Box 145, 111 N. Fourth St., Kentland, IN 47951.

Equipment

You are responsible for obtaining, installing, maintaining and operating all computer hardware and software necessary for accessing and successfully performing the Online services. Kentland Bank has no liability or responsibility for any errors or failures relating to the malfunction or failure of your hardware or software.

Posting of Transfers between your Kentland Bank accounts

Transfers initiated through our Online Banking on a business day, Monday through Friday before 5:00 p.m. CT zone, are posted to your account the same day. Transfers completed after these times will post the next business day. Transfers made on a Saturday, Sunday or a Federal holiday will be posted on the next business day. You must have enough available funds in any account from which you instruct us to make a payment or transfer.

Stop Payment Requests

You may initiate stop payment requests Online for paper checks only that you have written (non-electronically) on your Kentland Bank accounts. Stop payment requests must be entered by 3:00 p.m. CT to take effect on that business day. To be effective, this type of stop payment request must precisely identify the name of the payee, the check number, the amount, and the date of the check. Your account will incur a stop payment charge as disclosed in the current fee schedule. The stop payment request placed Online is a stop payment for a 6 month period. You will need to resubmit another Online stop payment for additional 6 months if needed. You will not be able to place a stop payment order on checks that have already been received and paid. Note: Once a Bill Pay payment has been debited from your account, you cannot cancel or stop a Bill Payment which has been paid electronically. Bill Pay payments are subject to proceeding as scheduled. Please, refer to “*Editing Bill Pay Payments*” later in this disclosure.

Bill Pay Online and Fee Schedule

Online Banking customers with a checking account may also have the Bill Pay feature by applying. Currently there is no cost for online Bill Pay Service. You will not receive a separate statement for Bill Pay transactions. All transfers to and from your accounts using our Online Banking will appear on the respective monthly paper statement(s) for your KB accounts. You can also view Bill Pay ‘history’ online.

Setting up a Payee for Bill Pay

When you fill out the application for Bill Pay, we will set up your designated checking account as your Bill Payment account. All bills paid through Bill Pay will be deducted from this designated checking account. No savings account can be used for Bill Payments. From the Bill Pay menu, select “*Add New Payee*”. A screen will be presented which is used to establish a payee (*the individual or company you wish to pay*). Select “*Pay a Company*” or “*Pay an Individual*”. If your payment can be sent electronically, your payee must already be established in the system’s (E) electronic payee database. To see if your payee is in the database, type in the name; account number with the payee company; address; city; state; and zip code of the Payee as it reflects on your bill. Then click SEARCH. The Payee Type will automatically insert as “*Electronic*”. If not, it will default to “*Check*” (which is a check that is electronically generated) and you will need to fill in the appropriate information exactly as it is on your bill. It is important for you to select the appropriate billing address to where your Bill Pay payment is going to credit your payee. It is possible for a payee to have multiple addresses and an incorrect address will delay payment. Complete all the information on the payee screen and then click on “*Submit*”. Note that the “*Account Number*” field is the account number with your payee, not your KB checking account number. Enter the account number without dashes or spaces. Please note that companies not paid electronically when you initially set them up as a Payee, may be added in the system’s database in the future.

To be alerted when a Bill Payment has processed and view history of Bill Payment

There a few different ways:

- 1). Bill Payment history information may be accessed through the “*Bill Payment*” menu – under the tab option “*History*”.
- 2). When you are setting up your payees, there is a box that may be check-marked to notify you when a Bill Payment has processed when you sign into your KENTLAND BANK Online Banking. To set up an alert at sign in: Under the “*Bill Payment*” menu, go to “*Options*” and select “*Alerts*”. Then to the right of the screen choose the “*Edit Event Alerts*” link and check mark each box you would like an alert notification at Sign In and “*Submit*”.
- 3). You can also look under “*Transactions*” from the Main menu in the drop-down menu beside the checking account used for Bill Pay debits. This will show you the latest transactions from the account as long as the Bill Payment is paid as (E) electronic. (*Note: Electronic payments will reflect as soon as processed. Bill Pay check payments, not (E) electronic payment, will clear the same as a standard handwritten check would and will be in your history after the check clears your account.*)

Editing or deleting payees for Bill Pay

You can edit or delete payees by choosing from the Bill Pay menu – “*Add Payees*”. Then select the edit or delete icon. Make the appropriate changes and click on “*Submit*”.

Making a payment with Bill Pay

Now that you have your Payee set up you can send a payment. From the Bill Pay menu, select “*Make a Payment*” then select “*Create Payment/Frequency*” or “*Quick Multiple Payments*”. Select the correct Payee. Enter the payment amount in dollars and cents. If paying by check, enter any memo information that you wish to include on the check (*note that memo information cannot be sent with an electronic payment*). Choose the frequency of the payment - the default is set to “*One-Time*”. Once you have completed all necessary fields click on “*Submit*”. Note: For recurring payments, use the “*Make a Payment*” option; enter the expiration date of the payment only if you wish the recurring payment to expire. If not expiring, check mark the box “*This payment has no expiration date*”. For variable recurring payments, check the box “*This indicates that the amount is different for every payment*”. The system will change your payment amount to zero after each payment. You will need to edit variable amount payments prior to the next payment date.

Viewing Bill Pay Payment History

You may view a history of payments you have made through Bill Pay Online. You will be able to view all the payment details for bills you have paid online including the exact time the payment was processed. Select “*History*” from the Bill Pay menu. Enter the search criteria for the bills you wish to view (IE: View Payment History for: last 7 days, 14 days, 30 days or 60 days or select the “*Range of Payment History*”.) A listing of all payments meeting the criteria you selected will be displayed.

Editing Bill Pay Payments

From the Bill Pay menu, you may select the Bill Payment that needs a change or deletion, by selecting “*Scheduled Payments*”. Place a check mark in the box to the left of the Payee. Then select “*View, Edit or Delete*” from the drop down link (on far right). Make the appropriate changes and “*Submit*”. This will allow you to change the amount, memo, etc. If you wish to cancel or delete a payment, it must be done on the same business day prior to the automatic timed processing schedule of 2:00 a.m. and 12 noon (CT), per business day. Bill Pay business day is defined as 12:00 p.m. (CT) to 11:59 a.m. (CT) the following business day. Note that from Friday at 12:00 p.m. (CT) to Monday afternoon at 11:59 a.m. (CT) this will stand as one business day (transaction will credit/debit on the Monday’s date of business in this instance).

Payment Guarantee through Bill Pay

Kentland Bank is responsible only for exercising ordinary care in effecting Bill Payments upon your authorization. If we do not complete the Bill Payment to or from an Account within 15 days or for the correct amount according to our agreement with you, we will only be liable for your direct losses or actual damages. In NO event shall we be liable for damages in the following instances:

1. If through no fault of ours, you do not have enough money in your Account to make the payment.
2. If your funds are frozen or are subject to legal proceedings.
3. If you have not completely and properly complied with the terms of this Agreement or instruction provided by the software regarding how to make a payment.
4. If you do not initiate a payment according to the time limits set forth in this Agreement or if the payment amount requested is less than the full amount due.
5. If you do not instruct us soon enough for your payment to be received and credited by the time it is due.
6. If the payment would cause your balance to go over the credit limit of an established line of credit or exceed the balance of an account arrangement set up to cover overdrafts.
7. If you, or anyone authorized by you, commits any fraud or violates any law or regulation.
8. If the payment has been transferred from the Account to a third party, including, without limitation, any third party through which payment is made and any payee or its financial institution.
9. If the hardware, the software, the Service Provider, or any part of the Service, including the loan payment service, was not working properly and you know about the breakdown when you started your payment.
10. If circumstances beyond our control such as an act of God, failure, delay, or error on the part of any Service Provider (including, without limitation, the online Service Provider, Kentland Bank, Postal Service or any other delivery service), power outage, difficulty with telephone or cable lines or satellite communications, or any technical difficulty that might prevent or delay the payment.
11. If the funds in the Account are unavailable (funds are only conditionally credited until they become available for withdrawal).
12. If your Password has been reported lost or stolen or if we have any other reason to believe that a payment may be erroneous or unauthorized, or if you default under this Agreement, the account agreement, a credit agreement or any other agreement with us, or if we or you terminate this Agreement.
13. If you, any joint holder, or any authorized cosigner on an Account has requested that we stop payment of the payment.
14. If you have exceeded the limitations on the number of withdrawals or transfers allowed during the statement period of the type of account you have with us (e.g., certain types of savings accounts, including money market deposit accounts).
15. If the account has been closed.
16. If we do not receive the necessary transfer information from you or any third party, or if such information is incomplete or erroneous when received by us for the payee on a Bill Payment.

Rejected Payments

If a payment is rejected for any reason, Kentland Bank will attempt to contact you for resolution, if necessary. If information is not provided by you within two business days, we will issue a credit to you for the amount of the payment if the payment was electronic.

Online Bill Payment Services

By using the Online Banking Bill Payment Service, you agree that, based upon instructions received under your password, we can charge your designated account by electronic transfer, “No signature required draft,” or by debiting and remitting funds on your behalf. Kentland Bank has the right to refuse a transaction if the bank reasonably believes such refusal is necessary for security reasons. The minimum amount that can be paid on a single item is \$1.00. The maximum amount that can be paid on a single item is \$9,999.99. Payments may be made only to payees with a U.S. payment address. Payments cannot be made to business or individual payees outside the United States or in a foreign currency.

If the payee is to be paid by paper check (via Bill Pay) you understand and agree that paper checks are mailed to the payee from a processing center and that you must allow for normal postal delivery time. If the payee is to be paid electronically (as indicated on the Bill Payee list), you understand and agree that the payee may not receive the payment *up to 72 hours* after the date the payment is debited from your account.

You understand and agree that Kentland Bank is not responsible for the timely delivery of mail or the improper transmission or handling of payments by a third party such as the failure of the Bill Payment payee to properly post a payment to your account.

Additional information on the Bill Pay service

Requests for Bill Payments must be entered prior to one of our scheduled processing times, Monday through Friday, to be processed the same day. Our Bill Pay processing times are at 2:00 a.m. (CT) and again at 12 noon (CT). Bill Payments entered after 12:00 noon, or on Saturday or Sunday, or on Federal holidays will not be processed until the next business day. No payments are processed on weekends or Federal holidays. Typically an electronic payment is received within 2-5 business days; and an electronically generated check (paper) may take additional mailing time to credit your payee. Please plan accordingly to the payment date.

When establishing a new payee with the electronic payment option, be sure you have chosen the correct payee from the look-up option and you have entered your account number correctly (without dashes or spaces). Remember that you must have sufficient funds available at the time an electronic payment is made. Electronic payments will not be sent if funds are not available.

If you have paid a bill by paper check (via Bill Pay), this check will be mailed from our processing center to your payee and will post against your KB account after it has cleared through the banking system, exactly as if you had written the check manually. You will see the check listed on your KB account statement. Also, note that your e-mail address will not be solicited to any third party for special interest or profit.

Change in Terms

We may change any terms of this agreement at any time. If the change would result in increased fees for any Online Banking service, increased liability for you, fewer types of available electronic fund transfer (EFT), or more strict limitations on frequency or dollar amount of transfers, we agree to give you notice at least 30 days before the effective date of any such change, unless an immediate change is necessary to maintain the security of an account or electronic fund transfer system. We will post any required notice of the change in terms on our Kentland Bank website or forward it to you by e-mail or by postal mail. If advance notice of the change is not required, and disclosure does not jeopardize the security of the account or our EFT system, we will notify you of the change in terms within 30 days after the change becomes effective. Your continued use of any or all of the subject Online Banking services indicates your acceptance of the change in terms. You acknowledge and agree that changes to fees applicable to specific accounts are governed by the applicable deposit agreements and disclosures.

Termination

You may cancel your Kentland Bank Online Banking service at any time by contacting us in writing (original signature only, no fax). Your access will be suspended within 3 business days of our receipt of your written instructions to cancel the service. We can terminate or limit your access to our Online Banking services at any time and by our discretion. Termination will apply only to the Kentland Bank Online Banking service and does not terminate your other relationships with us.

ONLINE DIS & BILL PAY AGRMNT
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