

### **What is Regulation E?**

This regulation protects individual consumers engaging in electronic fund transfers (EFT). Non-consumer accounts are not protected by Regulation E.

### **What is an EFT?**

Any transfer of funds that are 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 (ATM)
- Direct deposits or withdrawal 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/bill pay

### **How does Regulation E apply to a consumer using internet banking and/or bill pay?**

Regulation E is a consumer protection law for accounts established primarily for personal, family, or household purposes. Excluded from coverage are non-consumer accounts, such as Trust, Corporations, Partnership, etc. Regulation E gives consumers a way to notify their financial institution that an EFT has been made on their account without their permission. If you are unsure if your account is protected by Regulation E, contact us.

### **What are the applicable protections provided to consumers under the Act for consumers who use internet banking and/or bill pay?**

Tell us AT ONCE if you believe your Internet Banking / Cash Management credentials have been compromised. Telephone 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 or another deposit account that is designated for automatic transfers). If you tell us within 2 business days, you can lose no more than \$50 if someone used your credentials to commit fraudulent activity without your permission. If you do NOT tell us within 2 business days after you learn of the compromise, and we can prove that we could have stopped someone from committing fraudulent transactions if you had told us, you could lose as much as \$500.

### **No Liability Limit:**

Unlimited loss to a consumer account can occur if:

- The periodic statement that 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 it has mailed your statement, and
- The loss could have been avoided if you had given timely notice

### **How does Regulation E apply to a non-consumer using internet banking and/or bill pay?**

A non-consumer customer using internet banking and/or bill pay 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 with 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 evaluate the

controls you have in place periodically. The risk assessment should be used to determine the risk level associated with any internet activities the non-consumer customer performs and any controls in place to mitigate these risks.

In case of errors or questions about Internet Banking / Cash Management transactions:

Telephone us at 423-272-5800

or

Write us at

First Community Bank of East Tennessee

809 West Main Street

PO BOX 820

Rogersville, TN 37857