



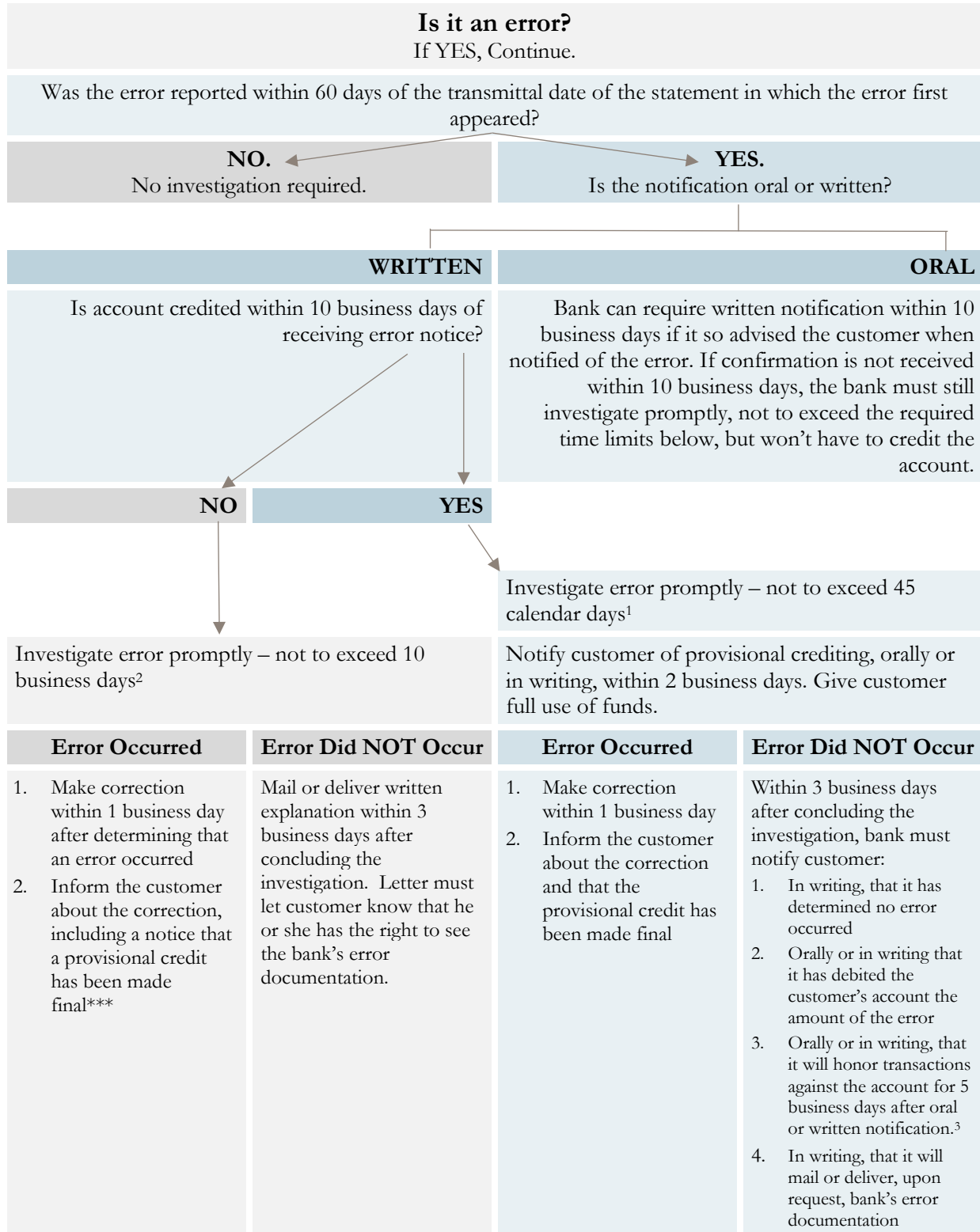
Sterling COMPLIANCE

REGULATION E DISPUTES & ERROR RESOLUTION

This document has been developed to assist in identifying when an error has occurred under Regulation E, to determine the critical information needed to investigate errors per regulatory requirements and calculate the amount of a consumer's liability. A bank's Regulation E Error Resolution procedures should provide for a sufficient audit trail to follow the process from the consumer's initial knowledge of a lost or stolen access device or unauthorized account activity through final resolution.

Critical Information to Obtain and Document Upon Notice of an Error

- ✓ Date on which customer identified that card was lost or stolen or that unauthorized transactions were conducted
- ✓ Date on which the customer notified the bank of the lost or stolen card or unauthorized transactions
- ✓ Date on which the periodic statement was sent that showed the 1st unauthorized transaction
- ✓ Was notification oral or written?
- ✓ If the notice was written, was the account credited within 10 business days of receiving notice?
- ✓ If the notice was oral, did the bank advise the customer of a requirement to provide written notice within 10 business days?
- ✓ Types and amounts of errors and/or unauthorized transactions
- ✓ Account number(s) affected
- ✓ Start Date of Investigation
- ✓ Date of provisional credit
- ✓ Date on which investigation was completed
- ✓ Resolution (brief summary)
- ✓ Was provisional credit revoked?
- ✓ Was provisional credit made final?
- ✓ Total consumer liability (calculation should be documented in accordance with table on Page 4)
- ✓ Bank loss
- ✓ Date of consumer notification of resolution
- ✓ Form of consumer notification of resolution



¹ Not to exceed 90 calendar days for new accounts, transactions not initiated within a state and POS debit card transactions

² Not to exceed 20 business days for new accounts

³ Does not apply if account was not provisionally credited because customer failed to provide the required written notification within 10 business days



CALCULATING CONSUMER LIABILITY

Event	Timing of Consumer Notification to Bank	Consumer’s Maximum Liability
Loss or theft of access device	Within 2 business days after learning of loss or theft	Lesser of \$50 OR total amount of unauthorized charges
Loss or theft of access device	More than 2 business days after learning of loss or theft	Lesser of \$500 OR the sum of: \$50 or the total amount of unauthorized transfers occurring in the 1 st 2 business days AND the amount of unauthorized transfers occurring after 2 business days and before notice to the bank
Loss or theft of access device	More than 60 calendar days after transmittal of statement showing 1 st unauthorized transfer made with access device	For transfers occurring within the 60-day period, the lesser of \$500 OR the sum of: Lesser of \$50 or the amount of unauthorized transfers in the 1 st 2 business days AND the amount of unauthorized transfers occurring after 2 business days For transfers occurring after the 60-day period, liability is unlimited (until the bank is notified)
Unauthorized transfers appearing on periodic statement (no use of access device)	Within 60 calendar days after transmittal of the periodic statement	No liability
Unauthorized transfers appearing on periodic statement (no use of access device)	More than 60 calendar days after transmittal of the periodic statement showing the 1 st unauthorized transfer	Unlimited liability for unauthorized transfers occurring 60 calendar days after the periodic statement and before notice