



CHFA POLICIES AND ELECTRONIC PAYMENTS AGREEMENT

Please read this agreement carefully. This agreement describes your rights and obligation as well as the rights and obligations of CHFA.

By requesting CHFA to originate debits to your checking account in order to make the borrower's loan payment(s), you acknowledge that you have read and accept all the terms and conditions of this agreement.

Definitions

As used in this agreement, the relevant terms are defined as follows:

- "We", "us", and "our" refer to CHFA, its successors and assigns.
- "You" and "your" refers to the Borrower under a CHFA loan and the Borrower's designated management company acting on the Borrower's behalf as the account holder of the Payment Account and anyone else authorized by the Payment Account's owner to exercise control over the Payment Account through this service.
- "Payment Instructions" means the information provided by you to us in order to enable us to make an electronic payment, including, but not limited to, the Payment Account number and payment date.
- "Payment Account" means your checking account from which the electronic payments will be made.
- "Designated Payment Date" is the date that you have selected for your electronic loan payment to be made.

Customer Responsibility

You agree that you are responsible for all authorized transactions up to the limits allowed by applicable law. If you permit other persons to access your Payment Account, you are responsible for any transactions that they authorize.

Payment

By providing us with the account information of the financial institution at which you maintain your Payment Account, you authorize that financial institution to follow the Payment Instructions that it receives through the payment systems from us.

- When we receive a Payment Instruction, you authorize us to originate debits to your Payment Account and request the remittance of funds to us on your behalf for credit to your loan account.
- Your Payment Account must be a checking account.
- All payments you make will be deducted from the account that you designate as your Payment Account.
- Any payment you wish to make must be payable in U.S dollars.
- Funds must be available in your Payment Account on the Designated Payment Date.
- After funds are withdrawn from your Payment Account via a debit, the amount of the payment will be applied to your loan account with us unless the payment is reversed.

We will use our best efforts to originate debits to make all of your loan payments properly. However, we shall not incur liability if we are unable to complete any loan payments initiated by you through an authorized debit because of the existence of any one or more of the following circumstances:

- 1) The financial institution holding your Payment Account refuses or is otherwise unable to honor a debit, and returns that transaction as unpaid, regardless of the reason for the return;
- 2) The financial institution that maintains your Payment Account mishandles or delays a payment requested by us on your behalf;
- 3) You have not provided us with the correct account information for the Payment Account; or
- 4) Circumstances beyond our control (such as, but not limited to, fire, flood or interference from an outside force) prevent the proper execution of the transaction, and we have taken reasonable precautions to avoid those circumstances.

Provided that none of the foregoing four (4) exceptions apply, if we cause an incorrect amount of funds to be removed from your Payment Account or cause funds from your Payment Account to be directed to us in a manner inconsistent with your Payment Instructions, we shall be responsible for returning the improperly transferred funds to your Payment Account.

We are responsible only for exercising ordinary care in processing payments upon your authorization in accordance with this agreement. We will not be liable in any way for damages or charges you incur if you do not have sufficient funds in your Payment Account to make a loan payment that you have authorized pursuant to the terms of this agreement.

Disclosure of Information to Third Parties

We may disclose information about your account or the transfers you make pursuant to the terms of this agreement to third parties:

- 1) Where it is necessary for completing servicing transfers, including to allow successor payees to continue automatic payments after the servicing transfer; or
- 2) In order to verify the existence and condition of your account for a third party, such as a credit bureau; or
- 3) In order to comply with government or court orders, or other reporting requirements; or
- 4) If you give us your written permission; or
- 5) As otherwise permitted under applicable law.

Scheduled Payments and Late Fees

Except as noted in this section, your electronic loan payment will be processed on the date you have selected on a monthly or quarterly basis depending on the payment terms in your loan documents. Each payment may take up to three (3) business days before being debited from the Payment Account. If your electronic loan payment is ever scheduled to be processed on a weekend or holiday, we will process the payment on the following business day.

Please note: Late charges will be assessed if your payment is not received by the expiration of your grace period.

If you properly follow the procedures described in this agreement and we fail to originate a debit to make a payment according to the Payment Instructions received, you will not be assessed a late fee.

In the Event a Payment Request is Returned

CHFA's bank will attempt once to process the request to debit funds from the Payment Account. If your Payment Account does not have sufficient funds to make the authorized payment as of the Designated Payment Date, the request to debit the account for the payment may be cancelled. We will notify you by e-mail or U.S. mail, but we shall have no obligation or liability if we do not complete a debit for payment because there are insufficient funds in your Payment Account to process the transaction. In all such cases, you are responsible for making alternate arrangements for payment. If any request to debit from the Payment Account is returned to us as non-sufficient, you agree to pay a returned charge in effect at that time.

Cancellation/Changes to Payment Instructions

If you wish to cancel the payments that you have authorized pursuant to the terms of this agreement, you must notify us in writing at least five (5) business days prior to the scheduled payment date at the following address:

CHFA

Attn: Finance Dept/Automatic Payments

999 West Street

Rocky Hill, CT 06067-4005

Notice of your wish to cancel must be physically received at the above address no later than five (5) business days before the scheduled payment date. The postmarked date does not constitute the date of receipt of mail.

Any changes to your Payment Instruction, including changes to the Payment Account, must be made in writing to the above address and executed by an authorized signer.

Errors and Questions

In case of errors or questions about the transactions processed pursuant to this agreement, you should contact us as soon as possible.

Call us at 860-571-4311 or write us at the above address.

If you think that the amount of any automatic payment is incorrect or if you need more information about a payment listed on your billing statement, we must hear from you no later than thirty (30) calendar days after the date of the payment. You must:

- Tell us your name and loan account number(s);
- Describe the error or the payment you are unsure about, and explain as clearly as you can why you believe it is an error or why you need additional information; and
- Tell us the dollar amount of the suspected error

Amendments to Agreement

This agreement may be amended by us from time to time. In the event of an amendment, we will provide you notice at least twenty one (21) business days in advance.

Governing Law

This agreement shall be governed and construed in accordance with the laws of the state of Connecticut.