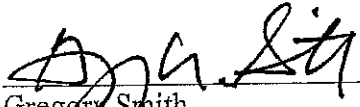
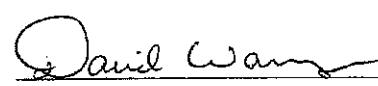


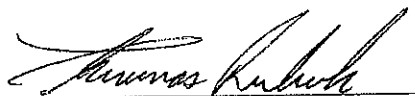
Proposal for
ON-CAMPUS
ATM/BANKING SERVICES
for
BLOOMSBURG UNIVERSITY



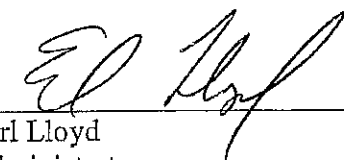
Gregory Smith
President
CEO
PSECU



David Warwavesyn
Vice President
Member Services
PSECU



Thomas Ruback
Vice President
Card Services
PSECU



Earl Lloyd
Administrator
University Development
PSECU

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<u>Response to RFP: 9.4 OTHER INFORMATION REQUIRED</u>	Page 4
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e-Center Promotion Budget	

Costs to Bloomsburg University

There are no costs associated with this proposal to the University.

Revenue sharing and financial incentives to the University

In exchange for the on-campus space provided by Bloomsburg for the e-Center, PSECU will provide the following financial support:

- A monthly rent of the e-Center space - \$3,000 per year - **\$15,000** over five years
- \$16,000 in scholarships each year - **\$80,000** over five years
- Cash donations will be made for each new account and selected services opened, to be used at Bloomsburg's discretion is estimated at **\$56,345** life of the contract.*
- ATM rent is estimated at **\$40,913** life of the contract.**
- A renewal bonus of **\$35,000** will be paid in the first year.
- The e-Center Business Advisor and Intern salaries will be paid by PSECU.

*Bloomsburg University and Intern Incentive schedule: Incentives are payable for any of the following services set up within one year of the member joining PSECU.

<u>PSECU SERVICE</u>	<u>UNIVERSITY INCENTIVE</u>	<u>INTERN INCENTIVE</u>
New Account (Student/Family)	\$ 5.00	\$ 2.00
New Account (Faculty/Staff)	\$ 20.00	\$ 10.00
Real Estate Equity Loan	\$ 20.00	\$ 10.00
Auto Loan	\$ 10.00	\$ 5.00
Check Card	\$ 5.00	\$ 2.00
Checking	\$ 5.00	\$ 2.00
Visa®	\$ 5.00	\$ 2.00

The estimated \$56,345 is based on the incentives earned for the previous 5 Years.

**ATM Rent: The number of ATM withdrawal transactions over the last 5 years has earned the school \$40,913. This is based on a \$0.15 per withdrawal transaction fee. Over five years, the University has the potential to earn \$40,913.

Response to RFP: 9.4 OTHER INFORMATION REQUIRED

The financial institution must also provide:

Current and future budgets for the University e-Center program/marketing financial commitment – revenue stream

A. Budget for the e-Center/Debit Card Program

- Underwrite \$900 per year (\$4,500 over five years) for co-branded Orientation Staff T-shirts
- Underwrite \$1,000 per year (\$5,000 over five years) for co-branded orientation parent/student folders containing Bloomsburg's orientation materials and PSECU e-Center materials
- Underwrite \$1,000 per year (\$5,000 over five years) in matching funds towards a SGA project

Total One Year **\$ 2,900**
Total Five Years **\$14,500**

B. Additional Amounts Budgeted by PSECU

- PSECU budgeted \$2,000 per year (\$10,000 over the life of the contract) for miscellaneous sponsorships
- PSECU budgeted \$1,500 per year (\$7,500 over the life of the contract) for sports advertising

Total One Year **\$ 3,500**
Total Five Years **\$17,500**

<i>PSECU Total One Year</i>	<i>(A & B)</i>	\$ 6,400
<i>PSECU Total Five Years</i>	<i>(A & B)</i>	\$32,000

Indirect Financial Impact On-Campus Salaries

Based on the past five years, PSECU estimates that the total on campus salaries paid to employ e-Center staff will total \$211,125.

University Revenue and Budget Recap

<u>Incentives</u>		<u>Amount</u>
Scholarships	\$	80,000.00
Rental Space	\$	15,000.00
University Incentives	* \$	56,345.00
ATM Rent	** \$	40,913.00
Renewal bonus	\$	35,000.00

e-Center Promotion Budget

Miscellaneous Sponsorships	\$	10,000.00
Sports Advertising	\$	7,500.00
SGA Project	\$	5,000.00
Orientation Shirts	\$	4,500.00
Parent Student Folder	\$	5,000.00

Total Direct Financial Impact	\$	259,258.00
Indirect Financial Impact	\$	211,125.00
Total On-Campus Financial Impact	\$	470,383.00

* Estimate based on incentives paid over five years

** Estimate based on ATM transaction volume from past 12 months x 5 years

RFP 02-07

BLOOMSBURG UNIVERSITY OF PENNSYLVANIA

**ONE-CARD PROGRAM
BANKING RELATIONSHIP
REQUEST FOR PROPOSALS**

January 30, 2007

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10.0	Experience of Partners
Appendix A	Standard Service Contract
Appendix A1	Standard Service Contract Terms

1.0 GENERAL INFORMATION

1.1 Purpose

Bloomsburg University of Pennsylvania (BU) wishes to establish a banking service relationship in conjunction with the BU one card program.

1.2 Scope

This document contains instructions governing the proposal to be submitted by interested Responders (any persons who submit a proposal in response to this RFP) the form in which proposals are to be submitted, the materials to be included therein, a description of the services to be provided, requirements which must be met to be eligible for consideration, general evaluation criteria, and other functional, technical, and contractual requirements which the Responder must meet to be eligible for consideration.

1.3 Issuing Office

The Purchasing Department of Bloomsburg University of Pennsylvania is issuing this RFP and all subsequent addenda relating to it. From the issue date of this RFP until a determination is made regarding the selection of a vendor, the issuing office is the sole point of contact with regard to all procurement and contractual matters and is the only office authorized to change, modify and clarify the specifications, terms and conditions and to make a contract awarded. Any violation of this condition can be cause for Bloomsburg University to reject a vendor's proposal. If it is later discovered that any violations have occurred, Bloomsburg University may reject any proposal.

All communications regarding this RFP should be in writing and addressed to:

Robert Hakim, Director of Purchasing and Operations
Room 38, Waller Administration Building
Bloomsburg University of Pennsylvania
400 East Second Street
Bloomsburg, PA 17815
Phone: 570-389-4311
Fax: 570-389-2017
e-mail: rhakim@bloomu.edu

1.4 Issue Date

This Request for Proposal will be available on January 29, 2007 by going to the following website: <http://departments.bloomu.edu/purchasing/rfp.htm>.

1.5 Pre-Proposal Date

A pre-proposal conference is scheduled for 10:30 am, February 8, 2007. Location of the pre-proposal conference is Bloomsburg University, Schweiker Room, Andruss Library. Attendance is recommended. The purpose of the Pre-Proposal is to clarify the RFP package, University requirements, and answer questions vendors may have.

Any questions must be submitted at the pre-proposal meeting, but, if possible, submit your questions via e-mail to the issuing office by 4 pm on February 6th so an answer can be provided at the pre-proposal meeting.

1.6 Closing Date

To be considered, proposals must arrive in the issuing office on or before 1:00 pm, February 22, 2007. Therefore, Responders should pay particular attention to ensure that the proposal is properly addressed. Bloomsburg University of Pennsylvania is not responsible if the proposal is not delivered to the proper address. If the response is mailed, the Responder takes the risk that it may not arrive prior to the due date and time. Responses may be hand delivered to Bloomsburg University of Pennsylvania and the issuing officer to ensure that they are received on time. Proposals will not be accepted after the Closing Date and time. Proposals received after the Closing Date and time will be returned unopened.

A map of Bloomsburg University is available from <http://www.bloomu.edu/bu/art/bumap.pdf> and directions <http://www.bloomu.edu/prospective/directions.php>

1.7 Proposal Submission

Proposals should be prepared simply and economically, providing a straightforward, concise description of the vendor's ability to meet the requirements of the RFP. Electronic submissions and faxed submissions are not acceptable. The Responder's original proposal submitted in response to the RFP and signed by the Responder's contractually binding authority with 6 additional copies must be received by Bloomsburg University of Pennsylvania no later than the Closing Date. In addition, all proposals must include an electronic version of the RFP response on CD in PDF and/or Microsoft Word and Excel formats. Proposal material should be addressed as follows:

Response to:
Robert Hakim, Director of Purchasing and Operations
Room 38, Waller Administration Building
Bloomsburg University of Pennsylvania
Bloomsburg, PA 17815

Proposals and all addenda must be signed in ink. The person signing must be authorized by the Responder to do so. Facsimile or typewritten signatures are not acceptable. The person signing must type his/her name and title below the signature, and if requested, must verify his authority to bind the company in contract.

1.8 Amendment to the RFP

If it becomes necessary to revise any part of this RFP, addenda will be posted at the following web site: <http://departments.bloomu.edu/purchasing/rfp.htm>. The information contained on this web site is current and accurate. It is the contractor's responsibility to check this site periodically to obtain any changes to the solicitation. The contractor must acknowledge all addenda in the proposal response.

1.9 Contract

It is proposed that, if a contract is entered into as a result of successful negotiations, the vendor will be required to sign a standard Pennsylvania Commonwealth service contract. This agreement will contain the provisions shown in the sample documents attached herein as Appendices A and A1. Negotiations may be undertaken with vendors whose proposals show them to be qualified, responsible, and capable of performing the work. The "Scope of Work," as negotiated, will be incorporated into the standard contract. All or a portion of the services offered in the vendor's proposal may be incorporated into the final negotiated contract. The contract period will be five years. (Note: Appendices A and A1 are sample documents only and are not required to be returned with your proposal.)

It is the policy of the Commonwealth of Pennsylvania to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities, and to encourage their participation in State procurement activities. Bloomsburg University encourages firms to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, or other contractual obligations.

1.10 Rejection of Proposals

The University reserves the right to reject any and all proposals received as a result of this request and to cancel this solicitation at any time prior to execution of a contract.

1.11 Oral Presentations

At the conclusion of the initial evaluation phase, it is anticipated that a number of proposals will be slated for detailed review and evaluation. As a part of this detailed review of proposals, the selected financial institution(s) may be required to make an oral presentation of their proposal to the University. The oral presentation provides an opportunity for Responders to clarify the proposals through mutual understanding. The university may award the contract, or determine finalists without benefit of an oral presentation.

1.12 Evaluation Criteria

The University using the following criteria, the order of which is not indicative of their weight or importance, will evaluate proposals:

- a) Responder's understanding of the work to be accomplished.
- b) Responder's qualifications and financial ability to perform the assignment.
- c) The qualifications and experience of the individuals assigned to the project.
- d) The references from clients where similar work was completed.
- e) The quality of the proposal following the guidelines of Section 2.
- f) Type and depth of service offerings provided by Responder.
- g) Potential revenue sharing program support and/or other benefits to the University One-Card Program.

1.13 Proposal Costs

The University is not liable for any costs incurred by vendors prior to the issuance of a contract.

1.14 Proprietary Information

Proposals will be held in confidence and, except for the selected proposal, will not be revealed or discussed with competitors. All material submitted becomes the property of the university and may be returned only at the University's option. Proposals submitted may be reviewed and evaluated by any persons at the discretion of the University. Pricing aspects of the proposals are not considered proprietary information and may be disclosed at the University's option. The University has the right to use any or all ideas presented in the proposal. Selection or rejection of the proposal does not affect this right.

2.0 INFORMATION REQUIRED FROM RESPONDERS

The Responders' proposal must be submitted in the format outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. The Responder should provide any other information thought to be relevant, but not applicable to the enumerated categories. This information should be provided as an appendix to the Responders' proposal.

2.1 Letter of Transmittal

The letter of transmittal should include an introduction of the Responder's company, the name, address, and telephone number of the person to be contacted along with others who are authorized to represent the company in dealing with this RFP. The letter should also include an expression of the Responder's understanding of the services desired and its ability to meet the requirements of this RFP.

PSECU Response – Letter of Transmittal

The Pennsylvania State Employees Credit Union (PSECU) is a not for profit financial institution that's been in business since 1933. PSECU's main office is located at 1 Credit Union Place, Harrisburg, PA 17110. We are currently the largest credit union in Pennsylvania (over \$2.5 billion in assets) and serve over 325,000 members throughout Pennsylvania, nationally and internationally. We are also the 26th largest credit union in the United States.

In 1977, PSECU held \$7 million in assets and had 24,000 members. At that time the new General Manager and the Board of Directors enacted a vision to use technology to the fullest extent possible to create an operation beyond the old branch style that would provide financial services to its members, anytime from anywhere. That vision continues today and is reflected in PSECU's mission statement.

“To continually strive to maintain a progressive and financially stable credit union that gives PSECU members control over their finances.

To provide members with a variety of high quality traditional and innovative financial products and services, which are convenient, reasonably priced and available through self-service delivery channels.

To treat members with courtesy and handle their requests in a reliable and efficient manner.”

PSECU strives to meet its mission by investing in emerging technologies to deliver self-directed electronic services that are convenient and of the highest quality, but even more importantly, by educating our members to use those services as a means to control expenses.

For the last thirty years PSECU has used technology to improve operating effectiveness, accommodate future growth and reduce expenses while providing the highest quality service. PSECU has a proven track record for implementing quality self-directed electronic services that have been accepted by its membership. The Credit Union also has a proven track record both at several SSHE universities and community colleges to meet the requirements of this RFP and would like the opportunity to continue to provide our services to Bloomsburg University.

In 2000, PSECU opened the e-Center on the campus of Harrisburg Area Community College to serve students, faculty and staff of the College community. We propose to do the same on the campus of Bloomsburg University. Therefore, the number of geographical miles of the office providing the services outlined in this proposal is 0.

PSECU will commit a team of quality personnel to assist the College in achieving its objectives. The individuals named below may be contacted toll-free at (800) 237-7328 and entering the extension or by e-mailing them directly.

*The mailing address for each individual is:
Pennsylvania State Employees Credit Union
1 Credit Union Place
Harrisburg, PA 17110*

*Federal ID Number: 23-0961140
Fax Number: 717-720-1264*

Primary Contacts at PSECU:

e-Centers

David Warwavesyn – Vice President of Member Services

- *Dave has led the development of, and is responsible for, the overall operation of the campus e-Center.*
- *Extension 6-2304*
- *e-mail: dwarwave@psecu.com*

ATMs

Thomas Ruback, CPA, CFSA – Vice President of Card Services

- *Tom is responsible for the ATM deployment and the ID card service.*
- *Extension 6-2290*
- *e-mail: truback@psecu.com*

Secondary Contacts at PSECU:

Richard Long – Vice President of Information Technology Services

- ***Rick leads the technology support for the e-Center and the ID card.***
- ***Extension 6-2270***
- ***e-mail: rlong@psecu.com***

Barbara Bowker – Vice President of Marketing

- ***Barb leads the marketing effort as it relates to PSECU.***
- ***Extension 6-2303***
- ***e-mail: bbowker@psecu.com***

Scott Rhoads, CPA – Vice President of Finance

- ***Scott leads the ACH and accounting efforts as they relate to the ID card.***
- ***Extension 6-2265***
- ***e-mail: srhoads@psecu.com***

2.2 Executive Summary

The Responder should include an executive summary, which briefly describes the Responder's approach to the proposal and clearly indicates any options or alternatives. It should indicate any major requirements that cannot be met by the Responder. This summary should highlight the major features of the proposal and identify any supporting information considered pertinent. In short, the reader should be able to determine the essence of the proposal and generally how well it meets the requirements by reading the executive summary.

PSECU Response – Executive Summary

PSECU would like to thank Bloomsburg University of Pennsylvania for the opportunity to respond to their request for proposal to continue to provide ID card and financial services to the students, faculty and staff of the university community.

Our response is presented in the format requested by the University and uses the same numbering sequence outlined in Section 2 – Information Required From Responders. The University's inquiries are followed by our responses in bold and italicized font.

Major Features of the Proposal:

Included in this response is our proposal for a continued presence of a PSECU-managed/student-staffed Electronic Service Center (e-Center) on campus. Our approach to this service has succeeded in its goal to bring added value to the University and the students on both an educational and financial level.

Please refer to PSECU's cost proposal document for the detail of our financial commitment.

PSECU will continue to provide the following:

- ***Transfer the ISO number and the encryption keys to the next financial service provider if in five years the University elects not to renew the contract with PSECU***
- ***Mutually establish procedures with the University to issue or replace campus ID cards with the added ATM debit feature***
- ***Provide marketing support (printed material, personal presentations) to promote acceptance of the ID card by students, faculty and staff***
- ***Work with the University to promote acceptance of the ID card in the merchant community***
- ***Commit resources to not only market the benefit of the card to the users, but also to the departments providing services to the cardholders***
- ***Continue to maintain and service a minimum of three ATMs (at no cost to the University) that connect to the major ATM networks. Bloomsburg and PSECU will mutually agree on the installation of additional machines, their location on campus and the service to be provided (full service depository or cash dispenser only)***
- ***Provide self-service kiosks in locations mutually agreed upon by the University and PSECU***
- ***Support direct deposit of student paychecks and financial aid reimbursements to student checking accounts***
- ***Make available to students, faculty and staff who elect to open PSECU accounts all the financial services currently offered to existing PSECU members***
- ***Provide ATM debit service in accordance with Regulation E so that the University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions***
- ***Provide monthly statements via online account access (psecu@home®), self-service kiosk and in a standard paper format to each cardholder with a PSECU account that will summarize detailed transaction activity at ATMs or with off-campus merchants participating in an established POS network***
- ***Provide information technology support to interface systems and coordinate file transfers to maintain effective service to students, faculty and staff***

Additional Commitments from PSECU:

- *PSECU has 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone*
- *PSECU will allow students, faculty and staff that are members of PSECU to view their ID card POS activity on campus via PSECU's online account access (psecu@home®) service*

Requirements Not Met:

None. Currently, all students, faculty and staff of the SSHE Universities are eligible for membership in PSECU.

Conclusion:

The Pennsylvania State Employees Credit Union has been privileged through its Articles of Incorporation to serve the students, faculty and staff of Bloomsburg University under the State System of Higher Education since 1987. We would like to thank Bloomsburg University for considering us to continue to provide ID card and financial services to members of the University Community. We look forward to continue working with you in the near future.

2.3 Requirements

The Responder should describe in narrative form their ability and specific service offerings for accomplishing the requirements of this program. Use the descriptions in the Requirements Section 5 through Section 10 of this RFP as your reference point. Responder must provide a narrative description of any exceptions or inability to comply or deliver any of the services and/or requirements contained in this RFP.

PSECU Response – Requirements

The following is a list of services available to students, faculty and staff of Bloomsburg University who become PSECU members (as well as their immediate family members).

Checking

- *No minimum balance to earn dividends*
- *No monthly service charge*
- *No check writing limit*
- *Free PSECU custom checks*
- *Free overdraft transfer service*
- *Free archiving of canceled checks*
- *Online cleared check images through our online account access (psecu@home®)*
- *Check search capability through our online account access (psecu@home®)*

ATM/Check Card/ID card

- *Over 1,600 CUS® surcharge-free ATMs including PSECU on campus ATMs*
- *Rebate program on foreign ATM surcharges – up to \$4 a month*
- *Free ATM transactions – up to 15 transactions (withdrawals or deposits) per month*
- *No account maintenance fees*
- *Point of sale purchases at merchants displaying the STAR® or VISA® logos*
- *Welcome at merchants accepting VISA® debit cards*
- *Zero liability for lost or stolen cards*

Additional Deposit Services

- *Regular Shares*
- *Money Market*
- *Certificates*
- *IRAs*
- *Christmas/Vacation Shares*
- *Investment Services*

Auto Loans

- *New and used vehicle purchases*
- *Pre-approved auto drafts*
- *Online applications with 30 second responses*
- *Apply with Loan by Phone*
- *Low interest rates*
- *Terms from 24 to 84 months*

Home Equity

- *No application fee*
- *No closing costs*
- *No appraisal fee*
- *No credit report fee*
- *Competitive fixed or variable rate*

Additional Loan Services

- *Personal service loans*
- *Mortgages*
- *Convenient electronic debit for fast repayment with direct payment*

www.psecu.com

- *Online membership applications*
- *30 second responses on loan applications*
- *Auto Buying center*
- *Financial Calculators*
- *CU\$® surcharge free ATM locator*

Free Online Account Access (psecu@home®)

- *24 hour account access with online account access (psecu@home®)*
- *Free bill payer; pay up to 80 bills per account*
- *View account balances and transactions*
- *View monthly deposits, checks and statement images*
- *Reorder checks*
- *Transfer funds*
- *View your PSECU account and non-PSECU accounts in one place with AccountNET*
- *UPost@Home®, online deposit service*
- *Alerts for transactions done on accounts*
- *Easy, secure and safe*

PSECU Pocket Teller

- *Wireless internet banking*
- *View balances and transactions, transfer funds, pay bills*

2.4 Prior Experience

The Responder should describe their experience in providing financial services to one-card programs.

PSECU Response – Prior Experience

PSECU has been a credit union industry leader in debit / point of sale (POS) card processing since 1982. In 1982 we introduced our first ATM card and since then our card base has increased significantly. Our members (244,505 cardholders) complete 1.7 million transactions a month using their PSECU cards. ATMs account for approximately 824,000 transactions a month and POS account for 889,000 a month. ATM and POS transaction activity is governed by Regulation E. PSECU is well versed in the requirements of Regulation E that governs the ATM debit function of the ID card.

The regulatory requirements and our operating policies presented throughout this RFP are the same requirements that apply to PSECU's existing card programs. They will not impact the flexibility of the University program.

PSECU has implemented our educational e-Center programs on nine SSHE schools and one Community College as well as one private college to provide financial services on campus. PSECU has worked with five of the nine SSHE Universities to implement an e-Center with campus ID card and ATM debit service. The program began in May 2001 and as of January 31, 2007 over 12,000 student ID cards have been issued with ATM debit service.

2.5 References

The Responder should provide at least three (3) references. References should be identified with the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

PSECU Response – References

Millersville University (Two ATMs; ID/ATM - Card Program)

Amy Dmizak

Assistant Vice President for University Advancement

PO Box 1002

Millersville, PA 17551

(717) 872-3586

Harrisburg Area Community College (One ATM)

George Franklin

Vice President of Finance

One HACC Drive

Harrisburg, PA 17110

(717) 780-2376

Lock Haven University (Two ATMs; ID/ATM - Card Program)

Dr. Linda D. Koch

Vice President for Student Affairs

311 Sullivan Hall

Lock Haven, PA 17745

(570) 893-2022

California University of PA (Two ATMs; ID/ATM - Card Program)

Terry Wigle

Assistant Dean for Student Services/Cal Card

250 University Avenue

Box 24

California, PA 15419

(724) 938-5818

Kutztown University (Two ATMs; ID/ATM - Card Program)
James Sutherland
Vice President for Administration and Finance
219 Administration Building
Kutztown, PA 19530
(610) 683-4106

Elizabethtown College (One ATM)
David Dentler
Vice President for Administration
One Alpha Drive
Elizabethtown, PA 17022
(717) 361-1524

2.6 Outline of Services to be offered

The Responder is requested to outline the financial services packages (savings accounts, checking accounts, debit accounts, credit card, loans, etc.) that would be offered to the University community in conjunction with one card.

PSECU Response – Outline of Services to be offered

The following is a list of services available to students, faculty and staff of Bloomsburg University who become PSECU members (as well as their immediate family members).

Checking

- ***No minimum balance to earn dividends***
- ***No monthly service charge***
- ***No check writing limit***
- ***Free PSECU custom checks***
- ***Free overdraft transfer service***
- ***Free archiving of canceled checks***
- ***Online cleared check images through our online account access (psecu@home®)***
- ***Check search capability through our online account access (psecu@home®)***

ATM/Check Card/ID card

- *Over 1,600 CUS® surcharge-free ATMs including PSECU on campus ATMs*
- *Rebate program on foreign ATM surcharges – up to \$4 a month*
- *Free ATM transactions – up to 15 transactions (withdrawals or deposits) per month*
- *No account maintenance fees*
- *Point of sale purchases at merchants displaying the STAR® or VISA® logos*
- *Welcome at merchants accepting VISA® debit cards*
- *Zero liability for lost or stolen cards*

Additional Deposit Services

- *Regular Shares*
- *Money Market*
- *Certificates*
- *IRAs*
- *Christmas/Vacation Shares*
- *Investment Services*

Auto Loans

- *New and used vehicle purchases*
- *Pre-approved auto drafts*
- *Online applications with 30 second responses*
- *Apply with Loan by Phone*
- *Low interest rates*
- *Terms from 24 to 84 months*

Home Equity

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- *No closing costs*
- *No appraisal fee*
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Additional Loan Services

- *Personal service loans*
- *Mortgages*
- *Convenient electronic debit for fast repayment with direct payment*

www.psecu.com

- *Online membership applications*
- *30 second responses on loan applications*
- *Auto Buying center*
- *Financial Calculators*
- *CU\$® surcharge free ATM locator*

Free Online Account Access (psecu@home®)

- *24 hour account access with online account access (psecu@home®)*
- *Free bill payer; pay up to 80 bills per account*
- *View account balances and transactions*
- *View monthly deposits, checks and statement images*
- *Reorder checks*
- *Transfer funds*
- *View your PSECU account and non-PSECU accounts in one place with AccountNET*
- *UPost@Home®, online deposit service*
- *Alerts for transactions done on accounts*
- *Easy, secure and safe*

PSECU Pocket Teller

- *Wireless internet banking*
- *View balances and transactions, transfer funds, pay bills*

2.7 Financial Proposal

The Responder should indicate the related costs for undertaking this project as well as potential revenue sharing opportunities for the University included in Section 8 – Revenue Sharing.

PSECU Response – Financial Proposal

There are no costs to the University for undertaking this project.

2.8 Additional Information

The Responder should include any additional information pertinent to their capabilities and experience in an attachment to their proposal.

PSECU Response – Additional Information

Enhancing the Educational and Extracurricular Environment of the University:

We encourage our members to use our value-added services by running various educational seminars and account promotions throughout the year. We also provide members a variety of financial tools to use on our website.

Educational Seminars

Many of our educational seminars have been developed specifically for our college age members. They include but are not limited to the following:

- **Money Management 101**
A detailed plan that educates students on the benefits of budgeting and living within your means and dangers of running up credit card debt.
- **Checking Account Management educational program***
Account basics – from how to endorse a check, how to do a stop payment, how to reconcile an account; etc.
- **College financing seminars**
Exploring the various options open to students and parents in regard to student loans and financial aid.
- **Car buying seminars**
How to use the tools PSECU makes available to our member when they are in the market to purchase a new or used car. Perfect for the first time buyer.
- **10 steps to financial success***
From developing a spending plan, setting goals weighing insurance options, this seminar covers the core concepts necessary to develop and maintain personal financial control.
- **CUSO Financial Services, L.P. retirement seminars**
CUSO Financial Services, a subsidiary of PSECU, offers various seminars on planning for retirement. (Geared more to faculty and staff.)
- **Solving the mystery of Credit Reports***
An overview of credit bureaus, credit scoring and the Fair Credit Reporting Act. It also includes guidance in dealing with identity theft and fraud.
- **Getting out of debt***
After developing short, mid and long term goals, participants learn how to design realistic spending and savings plans.
- **First time home buyer seminar***
A guide to those in the market for their first home includes setting realistic expectations and how to budget for this purchase.

**These seminars are part of PSECU's financial fitness training program and include a new credit counseling service for those members burdened with too much debt.*

3.0 CRITERIA FOR SELECTION

All proposals received from the Responders will be reviewed and evaluated by a committee of qualified personnel selected by the University. This committee will recommend for selection the proposal which most closely meets the requirements of the RFP and satisfies the University needs.

- 3.1 The Responder should demonstrate an understanding of the University's requirements by their approach to the proposal and the development of a thorough, effective plan to implement the proposed contract.
- 3.2 The Responder should indicate their ability to meet the terms of the RFP, as indicated in the scope of work detailed in Section 5 through Section 10. Requirements, time constraints and quality of service as indicated by the relevancy and recency of similar projects completed by the Responder will be evaluated.
- 3.3 The references and experience of the Responder will be evaluated by the University as detailed in Section 10.
- 3.4 The University will evaluate the quality of the service and methods of service delivery the vendor uses.
- 3.5 The University will consider the costs and revenue-sharing opportunities associated with the financial services offered to the campus community as part of its evaluation.

PSECU Response –Criteria for Selection
PSECU understands the University's selection Criteria.

4.0 BACKGROUND/CURRENT ENVIRONMENT

Bloomsburg University of Pennsylvania, a member of the Pennsylvania State System of Higher Education, is a comprehensive four-year institution. The University has a community of approximately 8,700 students and 1,000 faculty and staff members. For identification purposes, the total population using the card may be approximated at 10,000 plus. This amount includes camps and conferences, visitors and affiliates as well as faculty, staff and students.

Bloomsburg University has integrated a card production platform for its identification card functions. The campus card is CR-80 and meets ISO standards. The card body is a PVC/PET type with an HID 37 bit contactless proximity wire. The magnetic stripe is 3-track, 4000 orsted and is encoded ABA compliant. Bloomsburg University of Pennsylvania wishes to utilize the existing card technology and enhance it with banking and financial features. We will accept proposals to address how our existing program can be improved and how the financial institution can assist our university.

Currently, the BU One Card includes the following functionality:

- Photo Identification (in conjunction with Vision Database Systems)
- Door access (in conjunction with the ADT campus wide system [online proximity] and ONITY [offline track 1 encrypted encoding])
- Meal plans (in conjunction with the Blackboard system)
- On-campus declining balance account (attended and unattended point of sale (POS) through Blackboard system)
- Library access
- Student Recreation Center access
- Cardholder activated debit account service (in conjunction with PSECU [current One Card Banking Services provider])

The card is issued to all students, faculty, staff and authorized affiliates for privilege and campus services verification. The student card is validated each semester.

4.1 Goals and Objectives

Bloomsburg University is seeking to provide an increased level of service and convenience to students, faculty and staff members of the University community by maintaining, minimally, or expanding the current functions and implementing new uses of the one card. The goals of the program are to:

- Extend card-based services, both on and off campus, such as banking, telecommunications and other debit and access services.
- Increase effectiveness of campus-based systems by promoting card-based access to services.
- Demand deposit banking account (ATM/debit card)
- Direct deposit of student payroll and financial aid refunds
- Reduce costs associated with operations and management of the Campus One-Card System.
- Provide innovative technology and banking services to the university community.
- Implementation of extended financial services to be available by August 1, 2007.
- Generate revenue to help offset the cost of providing extended services to cardholders.

PSECU Response – Goals and Objectives

PSECU understands the University's goals and objectives.

5.0 IDENTIFICATION CARD BANKING SERVICE REQUIREMENTS

Bloomsburg University of Pennsylvania purchases all carding supplies and produces the ID cards on site. If a financial institution wishes to assist the University in the purchase of carding supplies as an incentive factor, this will be given consideration.

5.1 General Requirements

The University desires to issue cards to students, faculty, staff and affiliates for the purpose(s) described in this document. The University must issue and maintain ISO numbers and maintains a database of cardholders, including the digitized image of the cardholders, to support a variety of applications University-wide. The current ID card meets banking standards as defined by the International Standards Organization and the American Banking Association for credit/debit cards.

PSECU Response – General Requirements

PSECU agrees to the University's terms and will work with the University to achieve its objectives. PSECU agrees to the University's desire to maintain a database of cardholders including their digitized image. PSECU will provide ATM debit service as a function on the ID card and the card will continue to meet International Standards Organization and American Banking Association standards.

5.2 Identification Cards

The identification card will remain the cardholder's key to identification and access to facilities, funds, and services at the University, various ATMs and merchant locations both on and off campus. The identification card issuing system provides the infrastructure (database, issuing station hardware and software, card supplies) necessary for the ongoing production and creation of the card. Cardholders will then be given the opportunity to form a banking services relationship with the financial institution.

PSECU Response – Identification Cards

PSECU agrees to the University's terms. PSECU also agrees to provide ATM debit service as a function on the ID card for those students, faculty and staff that desire to form an account relationship with PSECU.

5.3 Printing of Cards

All ID cards will be printed on-site at Bloomsburg University of Pennsylvania.

PSECU Response – Printing of Cards

PSECU agrees that all ID cards will be printed on campus.

5.4 Advertising

In the event a contract is awarded for services resulting from this proposal, no indication of such sales or services to the University will be used in product literature or advertising without the consent of the University.

PSECU Response – Advertising
PSECU agrees to the University's terms.

6.0 BANKING/FINANCIAL SERVICES

6.1 Range of Transactions

The financial institution should support a broad range of account transactions, including:

- a) Payroll deposit, direct deposit, check deposit, withdrawals and other services typical of personal banking relationships.
- b) EDI transactions, such as refunds and financial aid reimbursements and

PSECU Response – Range of Transactions - A&B

PSECU offers a broad range of financial transactions to its membership with no minimum balance requirements other than \$5 that is reserved (in an unavailable status) to retain voting privileges for PSECU's Board of Directors and Credit Committee.

PSECU transaction services include, but are not limited to:

- ***Direct Deposit, Payroll Deduction, ACH Origination***
- ***ATM Service (deposits, withdrawals, transfers, inquiries)***
- ***Online Account Access (psecu@home®) (bill payment, e-statements, check images, inter/intra-account transfers, check withdrawals)***
- ***VISA® Credit and Check Card Service***
- ***Checking Service***
- ***Bill Payment (audio response and online)***
- ***Direct Debits and ACH Service***
- ***Wire Transfer Service***
- ***UPost@Home®, online deposit service***

PSECU is also able to provide the direct deposit of financial aid refunds for students that elect to open a PSECU account. When the University is ready to electronically refund Financial Aid reimbursements through the ACH system, PSECU will work with the university to establish this service

- c) A program to enable Automated Clearing House services to facilitate financial transactions from a student's home base to their University base as well as enable the parents the ability to transfer funds to student accounts

PSECU Response – Range of Transactions – C

PSECU currently enables members to establish ACH services to facilitate financial transactions into and out of their account with accounts at other financial institutions.

In addition:

Free Online Account Access (psecu@home®)

- ***Transfer funds from parents account to student account via computer (Also available by phone) 24 hours a day 7 days a week.***
- ***Post deposits to your account through the UPost@Home®, online deposit service. Instant availability of funds to yours or your students account from your home PC***
- ***24 x 7 account access with psecu@home online account access (psecu@home®)***
- ***Free bill payer; pay up to 80 bills per account***
- ***View account balances and transactions***
- ***View monthly deposits, checks and statement images***
- ***Reorder checks***
- ***Transfer funds***
- ***View your PSECU account and non-PSECU accounts in one place with AccountNET***
- ***Alerts for transactions done on accounts***
- ***Easy, secure and safe***

6.2 Features

The financial institution should allow for deposits and withdrawals directly through ATM facilities utilizing the STAR® Network. Cardholders should also be allowed to write checks from their accounts.

PSECU Response – Features

The University Community cardholders may make up to 15 free ATM transactions each month (includes deposits and withdrawals). These ATM transactions can occur on PSECU ATMs or on any other ATM in the world (part of the STAR® or PLUS® networks—over 1 million ATMs at last count). In addition, PSECU rebates up to \$4 a month in surcharges that are assessed on our members by the owners of other ATMs. Rebates are credited to member savings accounts.

PSECU ATMs handle transactions for PSECU members and other financial institutions as follows:

- ***Deposits to savings and checking***
- ***Withdrawals from savings and checking***
- ***Transfers between savings and checking***
- ***Balance inquiries on savings and checking***

Checking account service is also available to cardholders.

- *Interest-bearing account with no minimum balance requirements*
- *Free PSECU custom checks with no printing charge*
- *Free overdraft transfer service*
- *Unlimited check writing privileges per month*
- *No monthly check charges*
- *Free archiving of canceled checks*
- *Online cleared check images through our online account access (psecu@home®)*
- *Check search capability through our online account access (psecu@home®)*
- *Access to 13 months checking history through our online account access (psecu@home®)*

6.3 Service Access

Service access must be available 24 hours per day, 7 days a week with personal contact through a 1-800 number and/or internet-based self service system. The University will have no liability for fraudulent use. Cardholders must be able to report a lost card and have it deactivated 24 hours per day, 7 days per week, via a 1-800 number or internet-based self service system.

PSECU Response – Service Access

The University Community cardholders will have access to a PSECU Member Service Representative through toll free access at 800.237.7328, Monday through Friday from 7 AM to 5 PM and on Saturday from 8 AM to 12 PM. After PSECU business hours cardholders will have 24 hours per day, 7 days a week access through an 800 number displayed on the back of their ATM, or VISA® card, which will enable them to close a lost or stolen card.

Cardholders will also have 24 hours per day, 7 days a week access to online accounts at www.psecu.com where they can access their accounts, perform maintenance and e-mail questions to various departments in PSECU.

Responses to member e-mail questions are normally handled in a 24 hour period.

PSECU will provide ATM debit service in accordance with Regulation E so that the University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions.

PSECU has a 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone.

The University will have no liability for lost, stolen or fraudulent use of ATM debit cards.

6.4 Account Balance

The University does not guarantee any minimum account balance or utilization of the debit account balance option, but will work with the selected financial institution to provide information to cardholders for marketing purposes over the term of the agreement.

PSECU Response – Account Balance

PSECU understands there are no guarantees regarding profitability as account relationships are established.

6.5 Requirements

The card must be capable of facilitating transactions on campus (through ATM or attended POS) or at other banking facilities while maintaining the existing declining balance program accessibility. The financial institution must be:

- Federally insured under a congressionally enacted depository insurance program
- In good standing and be an approved depository
- A member of the Automated Clearing House

PSECU Response – Requirements

PSECU accounts are federally insured by the National Credit Union Administration (www.ncua.gov) up to \$100,000, the maximum allowed by law. In addition to the \$100,000 of insurance provided on an individual account or combination of individual accounts, members are also insured up to \$100,000 for any combination of accounts that are held jointly with other individuals. IRAs are insured separately up to \$250,000.

PSECU is an approved depository, the first credit union chartered (incorporated) in the Commonwealth of Pennsylvania in 1933. PSECU is in good standing with both state (Department of Banking) and Federal (National Credit Union Administration) regulators.

PSECU is a member of the Automated Clearing House (ACH).

6.6 Transfer of Accounts and ISO Numbers

Upon termination of a contractual agreement, the University may choose to select a different financial institution to serve as the financial institution partner. The University desires the capability to transfer debit card accounts and the ISO numbers associated with those accounts to the new financial institution.

PSECU Response – Transfer of Accounts and ISO Numbers

PSECU agrees to the University's terms.

6.7 Marketing Support

The financial institution will provide marketing support. The financial institution will assist the University in promoting the one card program to students by supplying printed material, making personal presentations on campus, and/or through other commonly used marketing methods. All marketing efforts will be approved and coordinated with Bloomsburg University of Pennsylvania.

PSECU Response – Marketing Support

PSECU views the proper education of parents, students, faculty and staff as a critical success factor for the campus ID card program and the use of electronic financial services. PSECU's solution is and has been to offer an e-Center that will function as a student education center staffed by student interns to assist in the education process. Through this cooperative effort, Bloomsburg students gain exposure to the financial services industry, help to educate their fellow students and parents (during orientation), and earn while they learn. The University benefits because the campus ID card production center can be linked to the e-Center for promotion of the campus ID card. PSECU benefits because parents and students learn to use our "self-directed" electronic services.

PSECU's Marketing program calls for mailings to students/parents in advance of their arrival on campus. The mailings will also include employees of the University. Also, PSECU is preparing e-mail advertisements in those cases where students have e-mail addresses. Efforts are also underway to promote membership and our services at ATM locations on other campuses. This effort includes specially designed posters, themes, etc. Specific attention will also be directed at parents of students.

PSECU is also dedicated to the production of education programs on the effective use of its services. PSECU has developed education programs on student loans, credit cards, checking account reconciliation, ATM services, etc., as part of its Budgeting 101 seminars. PSECU will work with the University to develop similar education programs on the campus ID card.

We plan to continue to deliver these education programs through our exclusive home page developed for universities under the State System of Higher Education, and will have PC-based educational training modules on the e-Center's PCs.

6.8 Coordination for Effective Customer Service

The financial institution will work with the University to coordinate file transfer and account information necessary to maintain effective service to our customers.

PSECU Response – Coordination for Effective Customer Service

PSECU will commit resources from its Information Technology Services Department to accomplish the necessary file transfers to maintain effective service to the University Community.

6.9 Services Offered

Describe the banking services available to account holders. Detail customer privacy and information security policy for each service provided.

PSECU Response – Services Offered

Member Privacy

The following privacy and information security policies apply to all of our services and members. For a list of banking services offered, please refer to section 2.6.

PSECU's mission is "To continually strive to maintain a progressive and financially stable credit union that gives PSECU members control over their finances. To provide members with a variety of high quality traditional and innovative financial products and services, which are convenient, with superior pricing and available through self-service delivery channels."

PSECU uses the latest technology to deliver our products and services to all members, which often translates into use of the various technologies for service delivery. PSECU's primary delivery channel is the Internet. A logical concern arising from the rapidly changing world of technology and specifically the Internet is your right to conduct business with us in confidence and your right to maintain privacy over your financial matters.

We, the Board of Directors, want to assure our members that we share your concern. PSECU is committed not only to providing you with the most efficient services, but also to ensure that all business you conduct with us is held in the strictest confidence and that your transactions are safe and secure. PSECU is committed to continually earning the faith and trust you, our members, have placed with us. We value that faith and trust, and take it very seriously. Therefore, we submit to you our pledge of that commitment, through the adoption of our Privacy Policy.

PSECU's Privacy Policy and practices concern the personal information we collect and disclose about our members. It also includes information about third parties who may receive personal and sometimes nonpublic information from us as we conduct the business of the credit union.

PSECU and its affiliates follow these practices; therefore, this notice will be applied to all.

PSECU will not sell and/or disclose any of your personal information to any mailing lists or to any merchants. We are in the business of serving our members and not marketing those lists to merchants.

PSECU will not engage in the business of unsolicited e-mail (spam). However, we may use e-mail to communicate with you when necessary regarding new services or matters concerning your accounts with us, or news about the credit union.

In addition, the Board of Directors has adopted a Confidentiality of Member Information Policy. This policy is distributed to all staff. The policy basically states that any information disclosed to PSECU in the course of PSECU's business will be held in the strictest of confidence. Unauthorized or illegal disclosure of your private information is considered a policy violation and subjects the guilty party to discipline. Employees are reminded that their responsibility to maintain this privacy continues even after their employment ends.

We invite you to review our Privacy Policy and contact us with any questions you may have.

***R. Brian Wilbur, Chair Board of Directors
Gregory A. Smith, President***

Information Security

Our Policy Regarding the Collection, Use and Disclosure of Your Information...

What Information We Collect...

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications and other forms.***
- Information about your transactions with our affiliates or us.***
- Information obtained when verifying the information you provide to us. This may be obtained from your current or past employers, or from other financial transactions, credit reporting agencies, and other sources.***
- We also collect information for non-member pre-approved mailings. This may be obtained from credit reporting agencies and other sources.***
- We use "cookies" to gather information for internal use.***

We may disclose all of the information we collect, as described by law.

What Information We Disclose...

We may disclose nonpublic personal information about you to the following types of third parties:

- ***Financial service providers, such as insurance companies, mortgage service companies, and broker-dealers.***
- ***Non-financial companies, such as consumer reporting agencies, data processors, check printers, financial statement publishers, retailers, plastic card processors, and government agencies (with court orders/subpoenas/member written consent), or any third party with a valid court order, warrant or subpoena.***

We share this information only to help us in providing services to members and as permitted or required by law. PSECU and its affiliates may also work closely to offer products and services to meet member needs. PSECU's affiliates are either wholly owned or controlled by PSECU. As a result, we may also share member nonpublic personal information with each other as permitted by law.

To Whom We Disclose Information...

In order for us to conduct the business of running the credit union, we may disclose all of the information we collect, as described above, to companies that perform marketing or other services on our behalf or to other financial institutions with whom we have joint marketing agreements so that we may continue to provide our member competitive products and services. We may also disclose nonpublic personal information about you under circumstances as permitted or required by law.

To protect our member's privacy, we only work with companies that agree in writing to maintain strong confidentiality protections and limit the use of the information we provide.

Disclosure of Information about Former Members...

If you terminate your membership with PSECU or its affiliates, we will not share information we have collected about you, except as permitted or required by law.

Confidentiality and Security of Your Information...

PSECU has several measures in place to protect your personal financial information.

1. ***PSECU employees are governed by various policies that include the Code of Conduct, Confidentiality of Member Information policies and Information Security policies. These policies include the responsibility to protect the confidentiality of members' financial and other personal information. This prohibits your credit union Board and Staff from disclosing your personal financial information. This prohibition is in place even after the employment or board relationship is terminated or ends.***

2. ***PSECU is subject to several examinations of our financials, records, policies and procedures. The Pennsylvania Department of Banking and the National Credit Union Administration (NCUA), both perform examinations. In addition we have an outside independent accounting firm conduct an annual audit. PSECU also maintains a professionally trained Internal Audit staff to provide ongoing monitoring of our system of control.***
3. ***PSECU protects both member and employee information at its facility by restricting access to sensitive areas. Electronic badges and PINs are required to gain access to the internal PSECU areas. Additionally, procedures and electronic monitoring are in place in the event of unusual activity, robbery, or fire. We continually evaluate our current physical security measures and monitor new technology as it develops.***
4. ***PSECU has extensive computer system security controls. Our operational and data processing functions are in a secure environment that protects member information from being accessed inappropriately. Our employees have limited access to member information based on their job function. We maintain physical, electronic, and procedural safeguards. Employees are educated on implementing PSECU's policies and security principles and practices.***
5. ***PSECU has several online banking and Internet security measures in place.***

Fair Credit Reporting Act Disclosure...

We currently do not share credit report information about our members with our affiliates or any other third party. The use of your credit report information is for internal use only such as determining credit or service approval, other services and employment.

Online Privacy...

PSECU recognizes the importance of maintaining a presence on the World Wide Web for informational and e-commerce purposes in both attracting new members and retaining existing members. For the purpose of this statement, e-commerce is defined as the ability of members to access personal account information and general credit union information, to initiate transactions on your credit union accounts, and to apply for additional credit union products and services online, and to access credit union approved vendor sites to conduct credit union related business. Our privacy policy is the same whether you are online or not.

Visiting Us Online...

We may gather information about which sites our visitors browse. This enables us to track how a visitor navigates through the site areas in which they show interest. We gather information such as number of hits to the site, page visits, and length of user sessions. This is similar to a traffic report: it tracks trends and behaviors of members/users in general, but does not identify individuals in particular. We use this information to better serve you and it helps keep our site relevant and useful.

Our Use of Cookies...

Cookies are small text files assigned and attached by a Web server to the directory file on your PC. Cookies help Web sites recognize return visitors. So, when you return to a Web site that you have visited before, your browser gives this data back to the server. PSECU uses cookies to make your online experience easier and more personalized. As a matter of security, we do not embed your Social Security number, password, or other personal information in our cookies.

Our Use of Banners and What They Are...

A banner is an electronic advertisement that is attached to a Web site. Some are interactive and some just scroll. By interactive we mean that if you click on the banner you can be directed to another site. We allow banners on our website only from third parties that we approve. Sometimes, these ads or banners may contain small graphics with tags in them. These tags tell us how many people respond to those ads. They do not identify you personally. Instead these tags are used to measure the effectiveness of those ads. They also help us market our products and services to you.

Online Security...

We will maintain industry standard security controls to ensure that member information stored in our files and on the computers are protected. Where appropriate, we will use security-coding techniques, like encryption, to protect against unauthorized access and the integrity of communications and transactions, and protect member confidentiality. PSECU uses 128-bit encryption technology the strongest industry standard encryption available. We also use firewalls to secure your information. A firewall is a security measure that insulates the credit union's computer network from the World Wide Web. PSECU analyzes traffic coming into and out of our firewalls, which would indicate hacking activity and computer viruses. We also regularly monitor our logs and scan our systems for known vulnerabilities. PSECU contracts with third party security specialists to regularly penetrate our network and to evaluate the security of our online banking application. PSECU is annually certified as a secure site.

Protecting Children's Online Privacy...

PSECU does not knowingly collect, nor is our Web site designed or directed, to use personal information from children under the age of 13 without containing verifiable consent from their parents. We do offer a Planet M section on our Web site that children can access site games, information and access to other sites that are age-appropriate. Should a child whom we know to be under the age of 13 send personal information to us, we will only use that information to respond directly to that child, seek parental consent or provide parental notice.

Links We Have for Non-PSECU Sites...

PSECU does have links on our Web site to other vendors and third parties. These links are added to give you opportunities to participate with that vendor or third party to take advantage of their services or products. We cannot guarantee how these third parties use or collect personally identifiable information about you. We urge you to review the privacy policies of each of the linked Web sites you visit. PSECU requires strict confidentiality from any vendors or third parties we associate with, but cannot control every aspect of their business.

How You Can Limit Us from Sharing Information...

PSECU does not disclose nonpublic personal information about you to nonaffiliated third parties, except as previously noted. In the unlikely event that this policy would change, we will provide you an opportunity to "opt out." This means that before we would release any information of a nonpublic, personal, financial nature to any nonaffiliated third party, you will have the chance to tell us not to release it. We will provide to you the exact means of opting out, which will be by writing us, phoning us or e-mailing us. You may opt out at anytime if the need would arise. The opt out by law will not apply to disclosures that are legally permitted or disclosures we make available to companies that perform services on our behalf or to other financial institutions that have joint marketing agreements with us. Once we would receive your request, we will have a reasonable amount of time to stop the disclosures. You may always contact us for assistance if you wish to later revoke your opt-out election.

PSECU has an e-mail marketing service. PSECU will periodically send e-mails promoting our products and services, or those of our affiliates, to members for whom we have recorded e-mail addresses. All members who receive the marketing e-mails will have the opportunity to opt out of this service at any time by simply clicking the unsubscribe button. As always, all members can opt out by contacting us using the methods described in this policy.

What You as a Member Can Do to Help...

PSECU is committed to protecting the privacy of our members. Members can help by following some simple suggestions:

- **Protect your account numbers, plastic card numbers, PINs and passwords. Never keep your PIN with your card.**
- **Use caution when disclosing your account numbers, Social Security numbers, etc. to other persons. If you receive a phone call from someone claiming to be from the credit union, and that unknown person asks for account numbers, or other identifying information, do not give that information.**
- **PSECU staff will have access to your information and will not need to ask for it.**
- **Keep your information with us current. If your address or phone number changes, please let us know promptly. It is important that we have current information as to how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately.**
- **After you complete your online session, log off before surfing other sites or by turning off your PC. It is suggested that you do not surf other sites during your online banking session. As this could allow a cookie to be attached and possibly compromise your information.**
- **Review your account statements as soon as possible after receiving them. Contact us immediately regarding any discrepancies.**
- **Let us know if you have any questions concerning this notice or your account or any services we provide. Please do not hesitate to contact us. We are here to serve you!**

This notice is being sent to each member address of record. If you would like an additional copy, or after having shared it with any joint owner(s) on your account and that person(s) would like a copy, please contact us using one of the methods listed below. (Calling our toll-free number, writing to the address provided or e-mailing us.)

How to Contact Us...

If you have read this notice and have questions, You may contact PSECU by mail, telephone, or you may email specific questions about this Privacy Notice and Disclosure to PSECU's Compliance officer.

7.0 AUTOMATED TELLER MACHINE NETWORK

All ATMs installed by the Financial Institution on University property should connect to the STAR® Network. The University shall not be liable for fraudulent use or overdrafts occurring due to ATM transactions.

PSECU Response – Automated Teller Machine Network

PSECU is affiliated with the STAR®, PLUS®, American Express®, VISA®, Mastercard® and Discover® networks.

The University will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions.

7.1 Current Campus Locations and Functionality

- Deposit and Withdrawal ATM (networked) Ground Level of Warren Student Services Center
- Deposit and Withdrawal ATM (modem) exterior of University Bookstore
- Withdrawal only ATM (modem) lobby of Monty's

7.2 Availability

Describe the availability of your institution's and the system provider's existing ATM network including, but not limited to, number of states (countries) in which there is presence and number of ATM locations.

PSECU Response – Availability

PSECU currently has 207 ATMs strategically located throughout Pennsylvania. All PSECU ATMs are available to its membership surcharge-free. In addition, PSECU has led an effort in Pennsylvania to expand surcharge-free ATM access for its membership and members of other credit unions.

In November 1998, PSECU formed and became the administrator of the CU\$® surcharge-free ATM alliance in Pennsylvania. The CU\$® alliance currently has 408 credit union participants (PA = 368; NJ = 23; DE = 4; CT = 3; WV = 1; CA = 2; OH = 2; NC = 1 MI = 2; NY = 1; VT = 1;) and offers 1,204 surcharge-free ATMs to credit union members in Pennsylvania. Additionally, 426 machines are available outside Pennsylvania in the states noted above. Machine locations are located at www.cudollar.org on the Internet. Most of the ATMs are available 24 x 7 to cardholders.

Expansion of the surcharge-free alliance in Pennsylvania and nationally is an objective defined in PSECU's five-year strategic plan. In addition to the ATM coverage provided by PSECU and the CU\$® alliance, PSECU cardholders may access any of the ATMs linked to the major networks noted above. If the owners of other ATMs surcharge PSECU members, we will reimburse up to four dollars (\$4) a month in surcharges.

The STAR® ATM network, owned by First Data, offers PIN-secured debit acceptance at 1.9 million ATM and retail locations.

In addition to the machines available through STAR®, the VISA®-owned PLUS® network offers 390,000 ATMs (50 states) in the United States alone. There are over one million PLUS® ATMs in 162 countries. ATMs through the three networks can be used by PSECU members to access their accounts.

7.3 Encoding Format

Describe the encoding format required to conduct debit card transactions in ATMs and vendor POS terminals.

PSECU Response – Encoding Format

All encoding is on ABA Track II using MAC-1988 card format standards. PSECU uses a 16 digit card number on a high coercivity (4000 Oersteds) magnetic stripe.

7.4 Data Fields

Exactly what data fields would be placed on the stripe? Describe at length, format, and purpose of each encoded field.

PSECU Response – Data Fields

The following are the current Fields, PSECU can work with the University to refine any changes required.

TRACK 1

Track 1 is used to identify the cardholder to PSECU. It meets the ABA standard set for debit cards.

Field Number	Field Purpose	Field Length	Description
1	Start Sentinel	1	Value is "%" (Hex 25)
2	Format Code	1	Value is "B"
3	Primary Account Number	16	The card number
4	Field Separator	1	Value is "^" (Hex 5E)
5	Cardholder Name	2-26	Last name, surname separator ("r", Hex 2F), and first name
6	Fixed Expiration Date	4	Generates "4912"
7	Fixed Service Code	3	Generates "120"
8	PIN Verification Field	5	
9	*Old Social Security Number	9	Generates Zeros
10	Fixed from previous BU	7	Generate Numeric Zeros
6	End Sentinel	1	Value is "?" (Hex 3F)
7	Longitudinal Redundancy Check (LRC)	1	Value is "" (Hex 20)

**For added security, and to accommodate the change by the university, the Social Security Number has been removed from Track 1. In the case of old BU cards with SSN still on Track 1, PSECU's carding will replace the SSN with all zeros*

TRACK 2

Track 2 is the required ABA standard for banking debit cards.

Field Number	Field Purpose	Field Length	Description
1	Start Sentinel	1	Value is “,” (Hex 3B)
2	Primary Account Number	16	The card number
3	Field Separator	1	Value is “=” (Hex 3D)
4	Expiration Date	4	YYMM format. Contains actual year and month of expiration, if applicable (e.g., VISA), or filled with “4912” for cards which do not expire.
5	Fixed	2	Generates zeros
5.2	PIN Offset	4	Des PIN offset as encrypted/computed under the issuer's keys
6	End Sentinel	1	Value is “?” (Hex 3F)
7	Longitudinal Redundancy Check (LRC)	1	Value is “” (Hex 20)

7.5 Transaction Fees

Provide the ATM transaction fees, if any, that would be charged to Bloomsburg University of Pennsylvania cardholders. Outline fees charged to those with and without accounts with your financial institution.

PSECU Response – Transaction Fees

• To PSECU Member Users

Members may make up to 15 ATM transactions each month for free (includes deposits and withdrawals). Members may use PSECU or CU\$® ATMs or any other ATM (not owned by PSECU).

Withdrawals or deposits in excess of the 15 each month are assessed a \$0.50 service charge for each transaction. Internal studies have shown that 90 percent of PSECU's cardholders do 15 transactions or less each month. Withdrawals under \$20 are also assessed a \$0.50 charge. Balance inquiries are assessed a \$0.25 service charge since inquiries can be done free of charge via our toll-free audio response telephone system, call centers or through our online account access (psecu@home®).

- ***To Non-Member Users***

PSECU surcharges non-member withdrawal transactions on your University ATM at the rate of \$1.50. PSECU surcharges non-member withdrawal transactions at all other PSECU-owned ATMs at the rate of \$1.50. PSECU does not surcharge for deposits. PSECU's position to surcharge on campus is a strategic one to encourage membership and to offset the expense of the free services provided to our membership.

7.6 Branch Banking and ATM Locations

Preference will be given to financial institutions willing to provide a branch (electronic or full service) conveniently located in the Warren Student Services Center and ATMs spread throughout the campus. The financial institution would be responsible for the renovations and associated costs of having a branch on campus. These costs include but are not limited to casework, carpet, electrical requirements, security requirements and data drops. It is expected that the selected financial institution will compensate the University for space and utilities related to placement of ATMs and banking branch on campus.

a) Your institution's approach to expanding ATM network accessibility campus wide.

PSECU Response – Branch Banking and ATM Locations - A

PSECU currently has three ATMs on University property that connect to the major ATM networks (previously described). PSECU currently has one ATM at the Student Center Building, one outside the university bookstore and one in the lobby of Monty's. PSECU and the University will mutually agree on the installation of additional machines, their location on campus and the service to be provided (full-service depository or cash dispenser only). PSECU also provides a self-service kiosk in the student union building.

PSECU will bear all cost of installation and utilities with the exception of electricity. PSECU will bear the cost of installing electrical connections. The ATM typically draws about the same amount of current as a PC and hasn't previously warranted a separate meter. All telephone costs (installation and monthly charges) are borne by PSECU. PSECU will ensure ADA compliance for access by any person with a disability.

b) Provide a summarization of your institution's branch locations and ATM facilities in the area.

PSECU Response – Branch Banking and ATM Locations - B

PSECU has and proposes to continue to provide a student-staffed e-Center on campus.

PSECU also offers 49 other ATMs through the CUS@ alliance (surcharge-free to PSECU members) in Berks County. The machines are located in: Kutztown, Reading, Wyomissing, Hamburg, Shoemakersville, Sinking Spring, Temple, Bernville, Birdsboro, Fleetwood, Womelsdorf, West Lawn, Douglasville, Morgantown, Blandon and Leesport.

8.0 REVENUES AND FEES

8.1 Revenue Sharing

Each financial institution should determine possible revenue sharing, which might benefit both the financial institution and the university.

- a) Please provide a document that identifies projected revenues and costs associated with the program.

PSECU Response – Revenue Sharing - A

Please refer to PSECU's cost proposal document for the detail of our financial commitment.

- b) Describe the additional opportunities that your institution would pursue in order to generate additional revenues for the financial institution and the university.

PSECU Response – Revenue Sharing - B

Please refer to PSECU's cost proposal document for the detail of our financial commitment.

8.2 Account Information

- a) What are the costs/fees associated with the banking accounts and other services?

PSECU Response – Account Information – A

A \$6 deposit is required to open an account at PSECU. One dollar is a non-refundable membership/entrance fee that grants lifetime membership and \$5 is reserved (in an unavailable status) to retain voting privileges for PSECU's Board of Directors and Credit Committee. The \$5 earns dividends at current rates and is fully refundable if a student chooses to close his/her account. There are no minimum balance requirements (other than the \$5).

PSECU waives the \$1 membership/entrance fee and will credit student, faculty and staff accounts with the \$5 minimum balance requirement if the accounts are opened at the on campus e-Center.

PSECU's membership application also provides the opportunity to request checking, ATM and online account access (psecu@home®) on one application.

Checking accounts earn dividends at current rates.

- **Interest-bearing account with no minimum balance requirements**
- **Free PSECU custom checks with no printing charge**
- **Free overdraft transfer service**
- **Unlimited check writing privileges per month**
- **No monthly check charges**
- **Free archiving of canceled checks**
- **Online cleared check images through our online account access (psecu@home®)**
- **Check search capability through our online account access (psecu@home®)**
- **NSF checks are charged \$30**

If a member wants a different check design, PSECU credits the member's printing costs with the amount of the basic checks. There is no limitation on the free checks. PSECU offers free overdraft transfer services to either a savings account or to a line of credit. Overdrafting to the line of credit does accumulate a finance charge.

- b) List the proposed cardholder terms and conditions for the issuance and use of the card. Be sure to include issuance fees, card limits, use charges, maintenance fees, and any minimum balances.

PSECU Response – Account Information – B

New PSECU applicants consent to a credit check at the time of application for membership. A favorable credit history is required to qualify an applicant for ATM service. Applicants that do not have a credit history are approved for ATM service, but cards may initially be issued with lower withdrawal limits (\$300/day). New card accounts are evaluated after one year and card limits are raised to the standard limit (\$500/day) if the account is in good standing. Applicants that have questionable credit history may be granted ATM service, but card withdrawal limits are typically set at lower limits.

ATM Debit Card Features:

- **Bloomsburg ID Card with ATM Debit Service**
- **Withdrawals can be made immediately after a deposit**
- **Cardholder selected PIN**
- **Standard \$500 daily withdrawal limit with flexibility to increase the amount withdrawn for emergency purposes**
- **Unlimited POS transactions up to \$500 daily limit**
- **Free ATM transactions - up to 15 transactions (withdrawals or deposits) per month**
- **No account maintenance fees**
- **No card issuance or replacement fees**
- **No charge for use of ATM machines owned by other institutions (excludes surcharges charged by those institutions)**

- **Rebate on surcharged transactions at other institution ATMs – up to \$4 dollar a month**

Transaction fees:

- **Under \$20 withdrawal limit - \$0.50 per transaction**
- **Over 15 transaction limit (combined withdrawals and deposits – \$0.50 per transaction after 15 transactions)**
- **Account balance inquiry at ATM - \$0.25 per transaction**

ATM transaction errors — data entry error — student keys in wrong amount:

PSECU staff will correct the error within two business days. If an adjustment is necessary to the account (funds credited or debited) this would be done upon recognition of the error. There is no liability to the cardholder unless such action is done repeatedly and appears to be done for fraudulent purposes. Since PSECU provides immediate credit on all deposits, one potential error that could occur is what we call an “empty envelope.” If such a transaction occurs, the account will be debited immediately. If the activity is repeated and appears fraudulent in nature, collection efforts against the cardholder would be undertaken. The cardholder’s ATM access may also be revoked.

Unauthorized ATM transactions — card used by someone other than the cardholder:

Since the card uses a personal identification number (PIN) to secure the transaction, the only time an unauthorized transaction can occur is when the PIN is breached. PIN protection on ATM debit cards typically insures cardholders against loss. Under Regulation E, the cardholder assumes a \$50 liability for such cases when reported timely. Untimely reporting could increase cardholder liability to \$500. The credit union would absorb any excess amount. Further, the depository ATMs are equipped with security cameras for confirmation of the person performing the transaction.

- c) List the procedures to be followed to request and issue the cards and terminate the use of a card.

PSECU Response – Account Information – C

Members of the University Community must first be members of PSECU. Once a member, the cardholder would go to PSECU’s e-Center and their ID card would be swiped through a PIN encoder to place the PIN offset on the card. Information on the magnetic stripe and any other information captured at the PIN encoding machine will be stored in an Access database. The database will be uploaded to either a fixed or delimited ASCII file. The file will then be encrypted and transmitted to PSECU to link the card to the account at PSECU. The file transmission can be accomplished through a network connection whereby we would link into the Access database to

retrieve the required information to establish the ATM debit service. The ATM service will be available within 24 hours.

PSECU has 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone.

d) Describe how accounts will be opened.

PSECU Response – Account Information – D

PSECU Membership and ATM Service – Proposed Procedure:

Several methods will be made available for students, faculty and staff to open accounts with PSECU. Ideally, PSECU would like to see accounts opened prior to the carding of the university community to expedite the addition of ATM debit service to the ID card.

- ***New Accounts – prior to ID carding event***

The objective is to introduce members of the university community to Bloomsburg's financial service provider and the ATM debit service that would be made available on the ID card. This could be accomplished through a mailer, marketing messages via Bloomsburg's website, campus radio, etc. The University and PSECU have mutually agreed upon the content of the information to be presented. PSECU would assume the costs of printing and mailing of marketing material, including follow up. Application for membership would be accomplished online through the e-Center or a paper application.

Incoming freshmen are notified with material provided with their admittance letter.

- ***New Accounts – during or after the ID carding event***

If a member of the university community is not a PSECU member, application may be made at the e-Center or with a paper application. If application was made at the e-Center, the individual would complete the application and the account would be established real-time. The application would then be printed and signed by the applicant. Appropriate membership, ATM debit card and other required disclosures would be provided at that time. At the time the account is established, the \$1 membership/entrance fee is waived and the \$5 minimum balance to establish the account is credited (at PSECU's expense) to the applicant's account.

If the application is not made at the e-Center, a pre-printed application and disclosures is provided to the applicant. The application would be signed and returned to PSECU for processing.

e) How quickly can accounts be activated?

PSECU Response – Account Information – E

Accounts will be activated in real time when applications are made through our e-Center.

f) Where and how can deposits be made to the account?

g) What is the time line for deposits to be credited to the account?

PSECU Response – Account Information – F & G

Deposits may be made to PSECU accounts by using PSECU's depository ATM on campus or through any other deposit-accepting ATM owned by other institutions (currently 2,865 depository ATMs in PA will accept PSECU deposits). Regardless of the ATM used, PSECU grants immediate availability to funds up to \$10,000. However, holds may be placed on deposits if PSECU learns of account misuse by the cardholder. If holds are placed in this situation, we will tell the cardholder why the hold has been placed and when the funds will be available. In addition to ATM deposits, the most convenient method to fund accounts (especially student accounts) is through PSECU's online account access (psecu@home®) service.

Parents of Bloomsburg University students are also eligible (as immediate family members) to open accounts at PSECU. Those that do, and elect to receive our online account access (psecu@home®) service, may transfer funds to their son or daughter's account 24 x 7 from the convenience of their home or office computer. For parents that do not have online account access, they may also transfer from one account to another by using our toll-free audio response telephone system or by telephoning toll-free to PSECU during normal business hours.

Parents may also be joint owners on student accounts and have deposit access with a standard PSECU ATM card issued on the account. Once funds are deposited from a remote ATM, the student would have immediate access to the funds through the campus ATM.

Deposits may also be made by mail and are available the day the mail is received and processed. Payments made at one of our two counters are also available immediately.

PSECU also provides deposits by PC through our UPost@Home®, online deposit service, crediting up to \$1,500 instantly from anywhere in the country.

9.0 DEBIT CARD (ON-LINE POS) PROGRAM

9.1 Monthly Statements

The financial institution must provide a monthly disclosure statement to account holders who have activated their debit card accounts, and the financial institution may wish to enclose marketing material, which has been approved by the university in this monthly mailing.

The financial institution must comply with all aspects of the most recent modification of 12CFR205.

The University shall have the option to include special messages on monthly statements and to enclose University provided material in the monthly statement mailing.

PSECU Response – Monthly Statements

PSECU will provide a monthly statement to cardholders who have activated their debit card accounts.

PSECU does comply and access is available to view transaction on line.

PSECU will, upon request, mail out to Bloomsburg students with PSECU accounts special updates or messages. However, it has been our experience that most schools wish to make these updates available campus wide and not to a select group of students holding our accounts.

The University may provide the financial institution with the mailing address of the cardholders for statement mailing purposes. Additionally, the cardholder may provide an address to be used by the financial institution; however, sharing or selling that personal information to third parties is prohibited.

- a) Describe the transaction statements that will be used, including format and timing.

PSECU Response – Monthly Statements – A

PSECU provides monthly statements to all account holders with active transaction services (checking, all card services, etc.). Account statements are mailed at month-end.

PSECU also provides electronic statements through its online account access (psecu@home®) service and through self-service kiosks that have been developed in-house for the custom delivery of service to our membership. Self-service kiosks have been included in our e-Center banking proposal.

Account statements are formatted to include the post date, effective date, amount, address location and transaction sequence number for all ATM or POS transactions. POS transactions also include a vendor name or location where the purchase was made.

PSECU will also work with the University to develop and deliver specific marketing messages to the university community through its online account access (psecu@home®) and kiosk services. In addition, PSECU has developed "Alert" messaging as an enhancement to its online account access (psecu@home® service). This feature will allow members to define "account triggers" (i.e. account balance declines to \$100) that send a message reminder to the member to take action on their account.

- b) Describe the actions you will take to assist in the promotion of that debit card feature and services.

PSECU Response – Monthly Statements - B

PSECU will continue to underwrite \$5,000 of its cost for the University to write, design and print the brochure.

Note: An approval process is in place to ensure that all interested parties review and approve promotional and educational materials. Appropriate management, a compliance officer and legal counsel currently review PSECU's literature, ads and commercials in the development stages.

PSECU plans to market the ID Card with its ATM debit card features in all membership promotions:

- ***Inserts in Orientation packets for incoming freshmen***
- ***Summer mailings to upperclassmen***
- ***Follow-up postcard mailings to new student members who have not activated the debit card feature***
- ***Postcard mailing to non-traditional students***
- ***Mailing to summer school students***
- ***Mailbox postcard to faculty, staff and adjuncts***

- c) Describe the process required for the printing and handling of promotional materials to be included with statements. Describe the additional marketing materials that your institution will provide to stimulate interest and use of the debit card.

PSECU Response – Monthly Statements – C

Marketing material that promotes direct deposit of student pay, debit card activation, the educational brochure "Plastic: Your First Credit Card," are available at the e-Center. The University may place at the e-Center at any time brochures or other university material to promote University events.

The approval process that is currently in place at PSECU ensures that all interested parties review and approve promotional and educational materials. Appropriate management, a compliance officer and legal counsel currently review PSECU's literature, ads and commercials in the development stages.

- d) Describe your proposed marketing plan to expand services to activate cardholders and to entice non-users to activate the financial services offered through the one card by your institution.

PSECU Response – Monthly Statements – D

PSECU will continue to approach card activation through its retail marketing support and through highly targeted mailings and student newspaper advertising.

Programs that we have run in the past five years and will continue to run may include:

- ***A postcard activation mailing in September***
- ***Additional postcard mailings throughout the year as needed***
- ***Marketing promotions will require students to visit the e-Center and register for the various giveaways, such as bookstore certificates, travelers checks, etc.***
- ***Staff cross-selling debit card activation***
- ***Ads in the student newspapers centering on either debit card activation or on students going to the e-Center and registering for a giveaway***

Retail promotions throughout the year that encourage students to come to the e-Center may include:

Move in Week:

- ***Giveaways provided on a daily basis during the first week of classes. Students register for the giveaways when they have their stripe coded for ATM usage***
- ***Soda and coffee coupons for the students who visit the e-Center to have card activated (coupons to be purchased from food provider)***
- ***Bookstore gift certificates for students that visit the e-Center to have their card activated***

Semester-long Support may include:

- ***Gas Card Day – students and faculty members who visit the e-Center can register for one free \$20-gas card***
- ***Coffee Coupon giveaway for student member***
- ***Credit Union Day***
- ***Newspaper advertising promoting e-Center and ID Card activation throughout both semesters***
- ***Sports Program Ad***

- *Spring Break drawing for students that visit e-Center during specified period*
- *Credit Card Education program (with University approval) each semester. "Plastic – Your First Experience" brochure distributed to those who apply for a Student Visa®*
- *Direct Deposit Promotion – Students and Faculty*
- *Bookstore Gift Certificates*

9.2 Reports to the University

The financial institution will supply monthly reports to the university summarizing the transaction activity and related fees paid to the University. The reports should at a minimum provide the number of transactions, location, and gross sales. The Responder should provide a copy of a sample report.

PSECU Response – Reports to the University

PSECU will continue to provide monthly reports to the University that substantiate revenues returned to the University in the form of commission payments, fee, etc. Examples include the number of ATM transactions when rent is based on a transaction fee paid to the University, new accounts opened through the e-Center, etc.

9.3 POS purchases

The card will be accepted to purchase goods and services on and off campus. Outline the following:

- a) The physical equipment and communication lines necessary to process the transaction.

PSECU Response – POS Purchases – A

Merchants in the Bloomsburg area would be required to have, or purchase, point of sale terminals affiliated with the STAR® network. These terminals operate off a standard telephone line in a dial-up capacity. This means the transactions are routed through a modem link to the STAR® network and then to a PSECU account.

- b) The steps required by the vendor to process the transactions.
- c) Any steps required by the cardholder including entering of PIN numbers or signing of forms.
- d) Any receipts that are required to print out.
- e) List the amount of time required to validate and complete the transaction.

PSECU Response – POS Purchases – B, C, D & E

Using Star® network affiliated POS terminals, cardholders would swipe their card and enter a PIN to authorize the transaction. Transactions would be processed in the same manner and time frame (within seconds) as an ATM withdrawal. Amounts would debit the account balance held at

***PSECU, followed by settlement between PSECU and the merchants.
Merchants are required to issue a receipt to the cardholder.***

f) How vendors would become active participants in the debit card program.

PSECU Response – POS Purchases - F

The University and PSECU would mutually agree on the merchants to be solicited for participation in the off-campus debit program. PSECU would then solicit merchants and market the advantages of POS. These advantages would include less handling of cash, coin and NSF checks as well as an increased sales volume from other customers.

PSECU determined from a review of its POS transaction activity reports that the following merchants in the Bloomsburg area are currently accepting Bloom OneCard ATM debit POS through the STAR® network.

***7 ElevenAutoZone
BJs Wholesale Club
Blockbuster
Bloomy's
Boyer's
Buy Rite Liquidators
Co-op
CVS
Dollar General
Dollar Tree
Eckerd
Exxon Mobil
Famous Footwear
Fashion Bug
Foodshop
Fresh-n-Quick
Gap
Giant Food Store
GNC
Hess
K-Mart
Kohls
Lowe's
Marshalls
Maurice's
McDonalds
Office Depot
Payless Shoe
Puff Discount Cigarettes
Radio Shack
Renco Home & Sports***

Sheetz
Shell
Short Stop Market
Staples
Subway
Target
The Home Depot
Turkey Hill
UniMart
USPS
Value City
Verizon Wireless
Victoria's Secret
Wal-Mart
Wegmans
Weis Markets
Wine & Spirits

g) How large of a geographical area would the debit card be accepted?

PSECU Response – POS Purchases - G

First Data, owner of the STAR® ATM network offer POS service through over 1 million merchants in a broad geographic area that covers approximately 50 states.

9.4 Other information required

The financial institution must also provide:

a) Projected operational costs (balance sheet) associated with the banking services outlined as a result of this RFP

PSECU Response – Other Information Required - A

Zero cost to the university operationally.

b) Projected annual, University, revenue stream (itemized) to include percentage change per annum of the term of the contract.

PSECU Response – Other Information Required – B

Please refer to PSECU's cost proposal document for the detail of our financial commitment.

c) Describe how the responder will assist the University in marketing the program to cardholders and merchants. Please state the marketing fund or budget that will be established for marketing purposes for the University.

PSECU Response – Other Information Required – C

PSECU commits to the following assistance in marketing the program to cardholders and merchants: PSECU will underwrite any printed material

necessary to accomplish the goal of expanding merchant awareness in the community up to a total of \$5,000.

Card Holder Support

PSECU's Marketing program will continue to call for mailings to students and their parents in advance of their arrival on campus. The mailings have also included employees of the University. Also, PSECU runs e-mail advertisements in those cases where students have provided e-mail addresses. This effort has proven successful, in our five years on campus thousands of students, faculty, staff and family members have applied to PSECU for membership through the e-Center. This effort includes specially designed posters, themes, and previously mentioned promotions. All efforts support the concept of making the Bloomsburg One Card the only card students need during their stay at the University.

- d) A description of how your institution can assist the University in the issuance process.

PSECU Response – Other Information Required – D

PSECU has had and will continue to have adequate staffing to assist Bloomsburg University during the carding process.

- e) A description of how your institution issues and manages a cardholder's pin.

PSECU Response – Other Information Required – E

At the time of application for debit card service, a member selects their ATM PIN. Upon receipt of the signed application, the card is ordered and a PIN offset is encoded on the magnetic strip of the card. The PIN number is removed from the application and destroyed. PSECU does not keep a record of PIN numbers.

Members adding debit service to their ID cards will be asked to enter and verify their PIN in PSECU's carding equipment. PSECU has no record of the PIN.

- f) A description of how your institution will handle lost or stolen cards reported to the University or your institution and inquiries made by cardholders to your institution (i.e., through your customer service center, via toll-free number, website, etc.)

PSECU Response – Other Information Required – F

The University Community cardholders will have access to a PSECU Member Service Representative through toll free access at 800.237.7328, Monday through Friday from 7 AM to 5 PM and on Saturday from 8 AM to 12 PM. After PSECU business hours cardholders will have 24 hours per day, 7 days a week access through an 800 number displayed on the back of

their ATM, or VISA® card, which will enable them to close a lost or stolen card.

Cardholders will also have 24 hours per day, 7 days a week to access online accounts at www.psecu.com where they can access their accounts, perform maintenance and e-mail questions to various Departments in PSECU. Responses to member e-mail questions are normally handled in a 24 hour period.

PSECU will provide ATM debit service in accordance with Regulation E so that the College will have no liability for fraudulent use of ATM debit cards or overdrafts due to ATM transactions.

PSECU has a 24 x 7 toll-free self-service access to deactivate lost/stolen ATM debit cards through audio response telephone.

The University will have no liability for lost, stolen or fraudulent use of ATM debit cards.

- g) A description of how the system will handle transaction authorizations. Include explanation of POS, ATM deposits and withdrawals, and any other relevant transaction type

PSECU Response – Other Information Required – G

PIN entry is required at an ATM or POS device to complete a transaction. The PIN number entered at the ATM, the card number and PIN offset are formatted into an ANSI PIN block. The PIN block and transaction are then encrypted and the result is transmitted to the STAR® network switch where the information is de-encrypted. The STAR® switch verifies the actual PIN and the PIN offset. A match then results in an encrypted transmission sent to PSECU for authorization. An encrypted authorization message is returned by PSECU and the transaction is completed. This process occurs within seconds.

- h) A description of how the system will protect against fraudulent and unauthorized: card use, access to services and account information.

PSECU Response – Other Information Required – H

Cardholders are permitted three PIN entry attempts before the transaction is denied. Once denied the cardholders account is blocked against additional activity. Cardholders are required to contact PSECU to remove the account block. However, the best protection against fraudulent card use is to educate the cardholder. PSECU goes to great length to ensure cardholders understand the importance of keeping their PIN numbers secure.

- i) A description of your system's ability to limit cardholder exposure to overdraft situations.

PSECU Response – Other Information Required – I

PSECU's ATM service operates in an online real-time environment. If sufficient funds are not available in the account at the time that a transaction (ATM or POS) is requested, it will not authorize.

- j) Proposed banking service fees to be charged to individual cardholders.

PSECU Response – Other Information Required – J

- ***To PSECU Member Users:***

Members may make up to 15 ATM transactions each month for free (includes deposits and withdrawals). These ATM transactions can occur on PSECU ATMs or on any other ATM in the world. There are over one million PLUS® ATMs in 162 countries. ATMs through the three networks can be used by PSECU members to access their accounts,

Withdrawals or deposits in excess of the 15 per month are assessed a \$0.50 service charge for each transaction. Studies have shown that 90 percent of PSECU's cardholders do 15 transactions or less. Withdrawals under \$20 are also assessed a \$0.50 charge. Balance inquiries are assessed a \$0.25 service charge since inquiries can be done free of charge via our toll-free audio response telephone system, call centers or through online account access (psecu@home®).

- ***To Non-Member Users:***

PSECU surcharges non-member withdrawal transactions on our Bloomsburg University ATMs at a rate of \$1.50. PSECU surcharges non-member withdrawal transactions at all other PSECU-owned ATMs at the rate of \$1.50. PSECU does not surcharge for deposits. PSECU's position to surcharge on campus is a strategic one to encourage membership and to offset the expense of the free services provided to our membership.

- k) The number of POS merchants participating in the ATM network.

PSECU Response – Other Information Required – K

PSECU currently has 207 ATMs strategically located throughout Pennsylvania. All PSECU ATMs are available to its membership surcharge-free. In addition, PSECU has led an effort in Pennsylvania to expand surcharge-free ATM access for its membership and members of other credit unions.

In November 1998, PSECU formed and became the administrator of the CUS® surcharge-free ATM alliance in Pennsylvania. The CUS® alliance

currently has 408 credit union participants (PA = 368; NJ = 23; DE = 4; CT = 3; WV = 1; CA = 2; OH = 2; NC = 1 MI = 2; NY = 1; VT = 1;) and offers 1,204 surcharge-free ATMs to credit union members in Pennsylvania. Additionally, 426 machines are available outside Pennsylvania in the states noted above. Machine locations are located at www.cudollar.org on the Internet. Most of the ATMs are available 24 x 7 to cardholders.

Expansion of the surcharge-free alliance in Pennsylvania and nationally is an objective defined in PSECU's five-year strategic plan. In addition to the ATM coverage provided by PSECU and the CUS® alliance, PSECU cardholders may access any of the ATMs linked to the major networks noted above. If the owners of other ATMs surcharge PSECU members, we will reimburse up to four dollars (\$4) a month in surcharges.

The STAR® ATM network, owned by First Data, offers PIN-secured debit acceptance at 1.9 million ATM and retail locations.

In addition to the machines available through STAR®, the VISA®-owned PLUS® network offers 390,000 ATMs (50 states) in the United States alone. There are over one million PLUS® ATMs in 162 countries. ATMs through the three networks can be used by PSECU members to access their accounts.

- l) Incentives to the University (i.e. purchase of carding supplies as outlined in section 5.0, scholarships, internships, etc.)

PSECU Response – Other Information Required – L

Please refer to PSECU's cost proposal document for the detail of our financial commitment.

- m) Procedures and requirements for the implementation of Direct Deposit, EDI, ACH services and International Monetary Transfer of funds.

PSECU Response – Other Information Required – M

Direct Deposit

Forms

Once the direct deposit of a member's pay has begun, the member may call in to set up the way funds are distributed within his account. Or if they simply want to modify an existing deposit, they may use psecu@home to change their distribution. Members cannot call in to start, stop or change the amount of pay coming to the credit union.

- ***Direct Deposit - State - To start, change or stop a portion or their full net pay deposited at PSECU, Commonwealth of Pennsylvania employees must contact their Human Resources department. This is the form that state employees use:***

www.hrm.state.pa.us/oahrm/lib/oahrm/hris/std-441_direct_deposit.pdf. State employees may use their online Employee Self Service (ESS) program to set up direct deposit. The following link provides an animated tutorial on changing direct deposit information: <http://oaess.state.pa.us/docs/ess-service-center.htm>. If you click on this link, scroll down to the Payroll Information category, and then click on View (next to Pay Check Options). Then choose one of the options.

- **Payroll Deposit Form - Non-State (VS 316)** If their employer does not have a direct deposit form, non-state employee members can complete an Authorization for Payroll Deposit form. Upon completion of this form, these members should return it to their employer for processing.

This form is also used by non-state employees to stop their direct deposit, to change the financial institution or account number that is to receive the funds, and to change the amount (in the case of payroll deduction) to be sent to the credit union. When changing the amount, the form is to be completed for the new Total Deduction Amount. If a member would like to send \$50 to the Credit Union instead of the original \$25 he was sending, he would complete a new form for \$50 - the entire amount he would like the Credit Union to receive.

ACH Program

This program allows members to transfer funds between PSECU accounts and savings or checking accounts at other financial institutions.

Direct Payment is NOT Electronic Bill Payer. Members cannot use Direct Payment for paying merchants. It is only used for transfers between personal accounts at financial institutions.

Members cannot transfer funds from PSECU directly to a loan at another financial institution. They can however, transfer to a checking/savings account at that institution, if one is available, and request a transfer to the loan if the financial institution offers automatic transfers.

Special Note: This program does not use guaranteed funds. In other words, the funds do not have to be in the account for the transfer to be created. If Direct Payment is used to debit a PSECU account to send money to another institution and the funds are not available in the PSECU account at the time the debit posts, the account will be taken negative and collection efforts will result. The member must have funds available on the date the Direct Payment is scheduled to post. If funds are unavailable the member will be charged an NSF fee for each instance. If this occurs three times consecutively or the dollar amount is excessive the member will be removed from the service.

If the member uses Direct Payment to debit outside accounts to bring funds into PSECU and the funds are not available at the other institution, PSECU will NOT attempt a second debit to retry the entry. And the members will be responsible to make the payment on their own for the missing payment. The transaction will process at its regular interval the next time. If this occurs three times consecutively the member will be removed from the service. The member may be charged for any NSF's at other financial institutions. Direct Payments are currently available for fixed amounts and dates only. A variety of frequencies are offered such as weekly, bi-weekly, monthly, semi-monthly and quarterly. Specific PSECU loans may prohibit certain frequencies, but all PSECU loan products are eligible for Direct Payments.

All requests for new service, change in existing service, or removal of service must be in writing. No changes to direct payment EFT records are permitted by any tellers outside of the ACH operations area.

Members must be approved for the service. Members can be denied this service for the same reasons they are denied other services, such as checking, ATM, etc.

Transfers are electronic, so the funds are deducted from one account and credited to the other account on the same day.

There are three distinct authorizations for the service. The authorization to be completed is determined by how the member wants to use the service:

- *VS Form 345: Direct Payment to a PSECU Loan*
- *VS Form 343: Direct Payment to Shares*
- *VS Form 344: Direct Payment to an outside account*
- *Authorization must be filled out completely and the member must attach a voided check (from the other institution). Please stress to the member to complete the entire authorization to prevent it from being returned to him as incomplete. For savings accounts, a deposit slip (from the other institution) should be used in lieu of a check. The authorization must be received one month prior to the first deduction to allow sufficient time for transaction to be set up and verified.*
- *Member can return the completed form to PSECU*
 - *Through the mail: PSECU, PO Box 67013, Hbg, PA 17106-7013, Attn: ACH Operations,*
 - *By dropping off at either counter, or*
 - *By faxing to (717) 783-9251*
- *All authorizations will be worked on a first-come first-served basis.*
- *Members must be owners on all accounts where a debit is effected. A member may not withdraw from any account where he does not have access/authority to do so.*
- *To make changes to existing Direct Payments, member must fill out a new authorization - no exceptions.*

- **Fees associated with this service:**
 - **NSF \$30.00 per item, charged when a member elects to send funds to another account and their PSECU account does not have enough funds to cover the item when posting occurs.**
 - **Other institutions may charge for NSF or stop payments of these entries. The member should consult with that institution for the charges.**

International Wire Transfers

International (outside the United States) Wire Transfer Request:

Requests for wire transfers to any financial institution outside the United States must be received before 11:30 AM EST to be processed that same day. International wire requests received later than 11:30 AM EST will be processed early on the next business day. The service charge for an international wire transfer is \$25.00. PSECU cannot estimate the delivery time for international wire transfers. Most international wires are not same day receipt.

NOTE: If for any reason the charge for a domestic or international wire transfer would be a higher than those stated above, the higher amount would be charged to the member's account.

Incoming Wire Transfers:

PSECU is online with the Federal Reserve System and receives wire transfers directly from originating financial institutions. The Electronic Funds Transfer Services unit posts incoming wire transfers to member accounts as they are received and the funds are available immediately.

Members asking for wire transfer instructions to send funds to PSECU can give the originating financial institution our name (Pennsylvania State Employees Credit Union), our ABA/Routing number (231381116) and then the account name and account number the funds are to be deposited to when received by PSECU. PSECU will post all incoming wires to the Share 4 or in the absence of a Share 4, then to Share 1 unless otherwise instructed by the wire transfer text.

Any telephone requests for a wire transfer should be transferred to the Electronic Funds Transfer Unit (extension 3868). The fax number is 717-720-1197.

10.0 EXPERIENCE OF PARTNERS

10.1 Understanding of the Problem

Describe how the financial institution will assist the University in reaching its' goals as set forth in the RFP. The financial institution will be expected to demonstrate an understanding of the University needs related to this RFP, and of the nature and scope of the services being requested.

PSECU Response – Understanding the Problem

It is our understanding that the University is seeking to continue to work with a financial institution that can offer a broad range of financial services to the university community while expanding or improving the continued development of the campus ID card program that currently includes ATM debit service. In addition, the University seeks a financial service provider to service the university community in a professional environment while supporting both financially and educationally the university life experience on campus.

Conclusion:

The Pennsylvania State Employees Credit Union has been privileged through its Articles of Incorporation to serve the students, faculty and staff of Bloomsburg University under the State System of Higher Education since 1987. We would like to thank Bloomsburg University for considering us to continue to provide ID card and financial services to members of the University Community. We look forward to continue working with you in the near future.

10.2 Qualifications of Staff

Describe the background, experience, and qualification of the officers and staff that will facilitate this program with the University.

PSECU Response – Qualifications of Staff

The following personnel are directly responsible for managing the Bloomsburg e-Center.

Tom Burk, Administrator, Campus e-Centers

Tom Burk joined PSECU in 2002 and currently manages e-Center services at Bloomsburg University, California University, East Stroudsburg University, Lock Haven University and Mansfield University. Prior to joining PSECU he held executive level positions at Alltel, Adelphia Business Communications, Fairpoint Communications and Central Locating Services.

e-mail: tburk@psectu.com

Marlene Latzman, PSECU Business Advisor to Bloomsburg University
Marlene was hired in 2002 as the manager for the new e-Center at Bloomsburg University. She has a history of 28 years in the banking industry, taught classes for the American Institute of Banking and retired in 1998 as Vice President of Accounting. Marlene enjoys golf and volunteering for various organizations.
e-mail: mlatzman@psecu.com

The following personnel are based in our headquarters in Harrisburg PA.

Dave Warwavesyn, Vice President of Member Services
Educational background includes an MBA from Saint John's University, New York, N.Y. with an Accounting major and a BBA from Pace University, New York, N.Y. with a major in Marketing. Dave has held this position 20 years and prior to reorganization, was responsible for ATM and VISA® services.
e-mail: dwarwave@psecu.com

Thomas Ruback, CPA; CFSA – Vice President of Card Services
As Vice President of Card Services for eleven years, Tom oversees the campus ID cards program, was responsible for launching PSECU's Check Card and online deposit service, UPost@Home. He is a Certified Public Accountant and Certified Financial Services Auditor who previously served PSECU for ten years as the Vice President of Internal Audit Services. Tom majored in Accounting and has a Bachelor of Science Degree from the Pennsylvania State University, University Park.
e-mail: truback@psecu.com

Earl Lloyd, Administrator, University Development
Twenty years account management experience. Earl negotiated the contracts for the HACC e-Center and all University e-Centers on SSHE campuses. Earl received a BA in Management from Rowan University. He is the primary contact for SSHE campus service facilities.
e-mail: elloyd@psecu.com

Jamie Weaver, Manager, Campus Card & ATM Relationship
Eight years experience with PSECU. Before assuming responsibility for ID Card programs, Jamie specialized in ATM relationships and Marketing e-Services. Jamie has a Bachelor of Arts Degree from the University of Pittsburgh. Jamie manages all campus card and ATM installations, and is the primary contact for the Campus ID Card programs.
e-mail: jveaver@psecu.com

Rick Long, Vice President of Information Technology Services
Provides Information Technology Support to the University Campus ID
Projects. Rick has been in the Information Technology Services department
for 23 years serving as a Vice President for the past eleven years. Rick has
an Associates degree in Business Administration.
e-mail: rlong@psecu.com

Scott W. Rhoads, CPA – Vice President Finance
Scott holds a Bachelor of Science degree from Elizabethtown College with a
major in Accounting. Scott worked for seven years as a Certified Public
Accountant with a public accounting firm before joining PSECU in 1984.
He has 22 years experience as Chief Financial Officer with PSECU.

Frederick F. Coffroth, II, CISA; CIA; CFSA; CBA – Vice President
Internal Audit Services
Fred is responsible for administering a comprehensive internal auditing
program designed to provide management with an independent assessment
of the systems of control operating within PSECU. PSECU's Internal Audit
Services is actively involved in various professional organizations including
the Institute of Internal Auditors, the Information Systems Audit and
Control Association, and the Association of Credit Union Internal Auditors.
Fred has an undergraduate degree from West Virginia University and a
Masters in Business Administration from Shippensburg University. He has
received several professional certifications and has been auditing in the
financial services industry for the past eleven years.

William Zysk, Vice President of Credit Services
Bill has been responsible for all lending activity at PSECU since 1989. Bill
has an undergraduate degree from the Pennsylvania State University and a
Masters in Business Administration from York College.

Cathy Tama-Troutman, PHR – Vice President of Human Resources
Cathy has held this position for 17 years with PSECU. She has 26 years of
experience in the Human Resources field and is certified by the Society of
Human Resources Management. Cathy majored in Personnel
Administration and Labor Relations and has a Bachelor of Science and
Economics degree from the Wharton School of the University of
Pennsylvania, Philadelphia, Pennsylvania.

Barb Bowker, Vice President of Marketing
Barb is responsible for overseeing the marketing and business development
functions for PSECU. Barb has been with PSECU for 20 years serving in
the Marketing, Member Services and Information Technology departments.
Barb has a Bachelor of Science in Business Administration from
Shippensburg University.
e-mail: bbowker@psecu.com

Jerry DelPierre, Remote Telecom/PC Engineer

***Jerry is responsible for telecommunications planning and implementation for University e-Centers. His area of expertise includes line provisioning; as well as PC installation and networking. He has 13 years experience with PSECU and has a B.S. degree in Computers and Information Systems from King's College, Wilkes-Barre, PA.
e-mail: jdelpierre@psecu.com***

10.3 Knowledge Base

Describe the product knowledge, regulatory requirements and operating policies related to debit card programs within your institution. How will these requirements and policies affect the card program at the University and what impact will they have on the flexibility desired in this program?

PSECU Response – Knowledge Base

PSECU has been a credit union industry leader in debit / point of sale (POS) card processing since 1982. In 1982 we introduced our first ATM card and since then our card base has increased significantly. Our members (244,505 cardholders) complete 1.7 million transactions a month using their PSECU cards. ATMs account for approximately 824,000 transactions a month and POS account for 889,000 a month. ATM and POS transaction activity is governed by Regulation E. PSECU is well versed in the requirements of Regulation E that governs the ATM debit function of the ID card.

The regulatory requirements and our operating policies presented throughout this RFP are the same requirements that apply to PSECU's existing card programs. They will not impact the flexibility of the University program.

PSECU has implemented our educational e-Center programs on nine SSHE schools and one Community College as well as one private college to provide financial services on campus. PSECU has worked with five of the nine SSHE Universities to implement an e-Center with campus ID card and ATM debit service. The program began in May 2001 and as of January 31, 2007 over 12,000 student ID cards have been issued with ATM debit service.

10.4 Customer Service Budget

Describe the total budget spent on systems for customer service development.

PSECU Response – Customer Service Budget

PSECU annually invests over \$2 million to enhance and maintain systems for member services. In 2007, PSECU will again exceed 2 million in enhancing member service related programs.

10.5 References

Include a list of at least three references for implemented One-Card programs. Please provide the name and phone number of the contact person for each reference.

PSECU Response – References

Millersville University (Two ATMs; ID/ATM - Card Program)

Amy Dmizak

Assistant Vice President for University Advancement

PO Box 1002

Millersville, PA 17551

(717) 872-3586

Harrisburg Area Community College (One ATM)

George Franklin

Vice President of Finance

One HACC Drive

Harrisburg, PA 17110

(717) 780-2376

Lock Haven University (Two ATMs; ATM/ID - Card Program)

Dr. Linda D. Koch

Vice President for Student Affairs

311 Sullivan Hall

Lock Haven, PA 17745

(570) 893-2022

California University of PA (Two ATMs; ATM/ID - Card Program)

Terry Wigle

Assistant Dean for Student Services/Cal Card

250 University Avenue

Box 24

California, PA 15419

(724) 938-5818

Kutztown University (Two ATMs; ATM/ID - Card Program)

James Sutherland

Vice President for Administration and Finance

219 Administration Building

Kutztown, PA 19530

(610) 683-4106

Elizabethtown College (One ATM)

David Dentler

Vice President for Administration

One Alpha Drive

Elizabethtown, PA 17022

(717) 361-1524

10.6 Future Services

Please provide a description of possible future expansion of services that could be made available to cardholders. The University is interested in innovation and creativity regarding One-Card services.

PSECU Response – Future Services

PSECU is considering implementing at Bloomsburg University a custom image check program for students and Faculty who open a checking account with PSECU.

This would include:

- ***A specially designed custom check for checking accounts with the Huskie mascot or other campus icon featured prominently in the design.***

PSECU is also researching the value of sponsoring the Collegiate Card. This card is a discount card for incoming freshman. Merchants who honor the card would offer discounts for products and services. This would help with future marketing efforts to promote the Huskie Card for payment of products and services. The Collegiate Card company signs up the merchants, PSECU pays for the card through a sponsorship, the Huskie Card is used as the payment device and the student saves money.

****Note: There is no activation required and the card is not a credit card.***

PSECU Legal Requirements

The following legal clauses are required in any contract entered into by PSECU. The clauses can be added to the contract or as an attachment to the contract.

1 Right to Audit

At no expense to BLOOMSBURG UNIVERSITY, Credit Union shall have the right to examine and copy all writings related to any aspect of this Agreement. Upon notice, BLOOMSBURG UNIVERSITY agrees to make these materials available to Credit Union's designated representative during reasonable business hours. PSECU's right to audit shall extend for a period of one year after termination of this Agreement. BLOOMSBURG shall include in all subcontracts a like provision under which the Credit Union shall have the above referenced rights.

2 Security Breach Notice

Notwithstanding anything in this Agreement to the contrary, BLOOMSBURG UNIVERSITY agrees to fully disclose any breach in its security resulting in or from unauthorized intrusions that may materially affect Credit Union or its members. BLOOMSBURG UNIVERSITY agrees to report the date, time, and manner of any such material breach, the effect of the breach on Credit Union, and any specific corrective action BLOOMSBURG UNIVERSITY will be taking in response "to the intrusion directly to Credit Union in a reasonably timely manner."

3 Confidentiality Clause

BLOOMSBURG UNIVERSITY agrees, acknowledges, and recognizes that Credit Union is a highly regulated financial institution under a strict duty of confidentiality with regard to

its operations and its member records, specifically any "confidential member information". Confidential member information shall specifically include all non-public member data, account or personal information, such as account numbers, access codes, account ownership and names of account owners, demographic information, and financial transactions conducted within those accounts.

BLOOMSBURG UNIVERSITY will not sell, transfer or share with any third parties any confidential member information which it receives during the ordinary course of conducting business unless it receives prior written consent from the Credit Union following notice given to Credit Union by BLOOMSBURG UNIVERSITY specifying exactly what information is to be shared and with whom it will be shared and the reason permission to disclose is being requested.

Any confidential member information received by BLOOMSBURG UNIVERSITY, or any Credit Union-approved recipients, may be used only as is necessary to complete the stated purpose of this Agreement.

Notwithstanding anything in this Agreement to the contrary, the rights and responsibilities regarding confidential member information as herein stated shall survive indefinitely the termination of this Agreement. Furthermore, BLOOMSBURG agrees and promises to destroy any Confidential Member Information that it has received or obtained from Credit Union, including any copies, immediately upon receiving written notice from Credit Union to destroy such Information, including any medium upon which or within which that Information resides.

BLOOMSBURG agrees to destroy all Confidential Member Information that it has received or obtained from Credit Union, and any copies made, not later than the date of termination of this Agreement, and BLOOMSBURG also agrees to provide Credit Union with written assurance of such destruction upon the written request of Credit Union.

Acceptable means of destruction include fine shredding of any paper copies so that no Information is readable, complete incineration of any software or compact discs or DVDs, and the complete deletion of all applicable electronic copies and backups.”