



Deposit Agreement & Disclosure Statements

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This agreement covers both the Member's and the Credit Union's rights and responsibilities concerning the accounts and services available at United Energy Credit Union. The terms "you" and "your" refer to anyone who signs an Application for Membership or an Account Signature Card. The words "we," "us," and "our" refer to the Credit Union. The credit union has the right to reverse or correct a transaction/error that results in unjust enrichment.

Membership Eligibility

To join the Credit Union, you must meet the eligibility requirements as set forth in the Credit Union's Bylaws or established from time to time by the Credit Union's Board of Directors. Eligibility for membership may be subject to verification. You authorize us to check your accounts, credit and employment history and obtain reports from third parties, including credit-reporting agencies, to verify your eligibility for the accounts and services you request. If eligibility cannot be verified, your account will be closed and your membership terminated.

Upon applying for membership, you must provide a name, matching Taxpayer Identification Number (TIN,) date of birth and a valid address along with two pieces of identification, one of which must be a valid government issued picture-bearing form of identification. You must also certify that you are subject to, not subject to or exempt from backup withholding under IRS regulation and that you are a U.S. person (including a U.S. resident alien). If your account is or becomes subject to backup withholding, the Credit Union is required, by law, to withhold and remit to the IRS a percentage of paid dividends, interest and other certain payments.

A member, whose obligations are defaulted and charged off as a loss to the Credit Union, automatically forfeits membership when the member's shares are applied towards the balance of that obligation. We may report information about you to the credit bureaus. Late payments, missed payments or other defaults may be reflected in your credit report.

Insurance Coverage

Your funds are insured up to \$250,000.00 by the National Credit Union Share Insurance Fund. Individual Retirement funds are insured, separately, up to \$250,000.00. It is important that you read the booklet Your Insured Funds published by the National Credit Union Administration (NCUA). You may obtain a copy at any Credit Union office or by calling 281.964.1777.

Account Ownership

Your account type(s) and ownership features are designated on your Account Signature Card. By signing a signature card or each of you, both jointly and severally, agree to the terms and conditions in this Agreement, and its Disclosures, the Credit Union's Bylaws and policies, and any amendments to these documents from time to time, which collectively govern your Membership and Accounts.

Single Party Account – A single party account is an account owned by one individual. Upon the death of the account owner the interest passes, subject to applicable law, to the decedent's estate under a Will or by intestacy.

Joint or Multiple Party Accounts With Rights of Survivorship – An account owned by two or more persons. When one owner dies, all sums in the account on the date of death vest in and belong to the surviving party (ies) as his or her separate property and estate. A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by the deceased owner, even if the surviving owner did not consent to it.

Any joint account owner is authorized to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account from any joint owner. Any joint owner may withdraw all available funds in the account, stop payment on items drawn on the account, transfer or pledge all or any part of the shares without the consent of the other account owners. We have no duty to notify the other owners about any transaction. A joint owner may not withdraw the minimum balance required in the primary share account, which would terminate membership. The Credit Union reserves the right to require a notarized affidavit in the event of a change of ownership. If the Credit Union receives written notice of a dispute

between joint account owners or receives inconsistent instruction from them, the Credit Union may suspend or terminate the account, require a court order to act or require that all joint account owners agree, in writing, to any transaction concerning the account.

If any item deposited into or cashed against a joint account is returned unpaid, or the account is overdrawn, or we do not receive final payment for a transaction, the owners both jointly and severally are liable to us for the amount due, regardless of who initiated or benefited from the transaction. If any account holder is indebted to us, we may enforce our rights against any account of an owner or all funds in the multiple party account, regardless of who contributed the funds.

Payable on Death (P.O.D) Accounts – A P.O.D. account is an instruction to the Credit Union and indicated on an account signature card, that upon the death of the last surviving account owner, the funds in the account shall be paid to the designated beneficiary. If more than one P.O.D beneficiary is named, the funds will be owned jointly by them. A P.O. D. designation does not apply to IRA accounts as these accounts are governed under separate agreement and have separate beneficiary designations. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

Accounts for Minors – The Credit Union may establish an account for a minor child. However, we reserve the right to require a parent or legal guardian as joint owner who shall be primarily liable to the Credit Union for any return item, overdraft or unpaid charges on the account. The Credit Union may pay funds to the minor without regard to his or her minority as long as adequate identification is provided.

Deposit of Funds

Funds may be deposited to any account, in any manner approved by the Credit Union, in accordance with the requirements set forth on the Rate and Fee Schedules.

Endorsements – We may accept transfers, checks, drafts and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more accounts owners, even if all payees do not endorse them. You authorize us to supply missing endorsements of any owner, if we choose. If an item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the item as though it were payable to either party. If an insurance, government or other item requires an endorsement as set forth on the back of the item, we may require the endorsement as set forth on the item. Endorsements must be made on the back of the item within 1 ½ inches from the top edge although we may, at our discretion, accept endorsements outside this space. However, any loss we may incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

Collection of Items – We act only as a collecting agent for any deposited items and are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not responsible for any deposit or other transaction sent by mail until the item is actually received in our office. We will not be responsible for any deposit or other transaction made through our night depository or ATM or any other unattended facility until the item or items are actually removed from the depository or facility by our personnel. We are not liable for the negligence of any correspondent or for loss in transit and each correspondent will be liable for its own negligence. We may send any item for collection. All items drawn on an institution outside the United States are handled on a collection basis only.

Final Payment – All items or ACH transfers credited to your account are provisional until we receive final payment. If final payment is not received we may debit your account for the amount of those items and we may impose a return fee as set forth on the Fee Schedule.

Right to Refuse Deposit – We reserve the right to refuse or return any item or funds transfer.

Authorized Signature – Your signature on the Account Signature Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe that the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give another person access to your accounts, you agree to be responsible for all transactions made by that person as if you did them yourself. This includes, but is not limited to, the right to have overdrafts covered by any of your savings or loan accounts and to endorse for deposit any items payable to you for credit to your account. If you

disclose your Personal Identification Number (PIN) or give your ATM or Debit MasterCard to another person, you are authorizing them to have full access to all of your accounts and will be responsible for all transactions made by them.

Accessing your Account

Access Options – You may withdraw or transfer funds from your accounts in any manner we permit, such as check, draft, ATM, in person, by mail, automatic transfer, telephone or computer. We may return as unpaid any draft drawn on a form that we do not provide and you are responsible for any loss we incur in handling such an item.

ACH & Wire Transfers – If we provide the service, you may initiate or receive credits or debits to your accounts through wire or ACH (Automatic Clearing House) transfer. You agree that if you receive funds in this manner, we are not required to notify you at the time the funds are received. Instead the item will be shown on your periodic statement. We may provisionally credit your account for an ACH transfer before we receive final settlement. We may reverse the provisional credit or you will refund the amount to us if we do not receive final settlement. If you initiate a wire transfer which identifies the beneficiary by both name and identifying or account number, payment will be made to the beneficiary's financial institution on the basis of the identifying or account number even if the number identifies a person different from the named beneficiary. If you initiate a wire transfer that identifies any financial institution in the funds transfer by name and by the routing & transit number or other identifying number, the Credit Union may rely on that number, even if it identifies a financial institution different from the named financial institution. A wire transfer may be assessed a fee as set forth on the Fee Schedule.

Credit Union Examination – We may disregard information on any check or draft, other than the signature of the drawer, the amount and the magnetic coding. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

Credit Union Liability

Except for losses caused by our failure to exercise ordinary care or our failure to act in good faith, you agree that we will not be held liable for any action or inaction regarding the payment or nonpayment of items, collection of items, other withdrawals or advances of credit in satisfaction of overdrafts. In no event will we be held liable for consequential damages.

General Provisions

legal precedence “*” union has the right to reverse or correct a transaction/error that results in unjust enrichment.”*

Unjust Enrichment - The credit union has the right to reverse or correct a transaction/error that results in unjust enrichment which is a legal term denoting a particular type of causative event in which one party is unjustly enriched at the expense of another, and an obligation to make restitution arises, regardless of liability for wrongdoing.

Definition:

1. A benefit by mistake or chance. Morally and ethically the one who gains a benefit that he or she has not paid or worked for should not keep it to the rightful owner's detriment. The party that received money, services or property that should have been delivered to or belonged to another must make restitution to the rightful owner. A court may order such restitution in a lawsuit brought by the party who should rightly have the money or property.

2. A general equitable principle that a person should not profit at another's expense and therefore should make restitution for the reasonable value of any property, services, or other benefits that have been unfairly received and retained.

Credit Union Lien and Security Interest – If you owe us money as a borrower, guarantor, and endorser or otherwise, we have a statutory lien on the funds in any account in which you have ownership interest, regardless of their source, unless prohibited by law. We may apply these funds, without notice to you, in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it at a later date. In addition, you grant the Credit Union a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by your residence, unless prohibited by law. All accounts are non-assignable and non-transferable to third parties.

Legal Process – Upon receipt of any legal action brought against your account, we may pay out the funds according to the terms of the action. Any expenses or attorney’s fees that we may incur in responding to the legal action may be charged against your account without notice, unless prohibited by law. Any legal action against your account is subject to our lien and security interest.

Power of Attorney – The Credit Union may not recognize or honor any outside Power of Attorney. If, at our discretion, we agree to accept or honor an outside Power of Attorney the document may be subject to the approval of the Credit Union’s legal counsel and you will be liable for any fees which may be incurred. Additionally, if we agree to accept or honor an outside Power of Attorney both you and your attorney-in-fact agree to indemnify, defend and hold us harmless for any loss, damage, claim or liability that occurs as a result of our reliance on the Power of Attorney. The Credit Union will provide its own in-house Power of Attorney upon request.

Inactive (Dormant) Accounts – An account is considered inactive if you (or one of your agents) have not initiated a debit or credit to the account or we have had no communication from you for one year. Dividend postings are not considered transactions for this purpose. An account is presumed abandoned if the account has been inactive for a period of five (5) years. Per state law, abandoned accounts must be reported and funds remitted to the State as unclaimed property. Upon remittance of the funds to the state, your accounts and membership will be closed. You may reclaim the funds by contacting the appropriate state agency.

Withdrawal of Services – In the event that any member causes a loss to the Credit Union or makes known his or her intention to cause a loss to the Credit Union, either by loan default, account overdraft, returned deposit item or failure to safeguard a Debit MasterCard or PIN, it is the policy of the Credit Union to withdraw services otherwise extended including, but not limited to, the right to maintain accounts at the Credit Union. To the extent allowed by applicable law, regulations and Credit Union’s Bylaws, your membership may be terminated if you cause a loss to the Credit Union.

Termination of Account – the Credit Union may terminate your account at any time, without notice, or may require you to close your account and apply for a new account if:

- There is a change in owners or authorized signers
- There has been a forgery or fraud reported or committed involving your account
- There is a dispute as to the ownership of the funds in the account
- Any checks are lost or stolen
- There are excessive returned unpaid items not covered by an overdraft protection plan
- There has been any misrepresentation or any other abuse of any of your accounts
- There is a loan delinquency, repossession or charge off
- There is any loss on any account that you are listed as an owner
- There is abuse of your ATM or Debit Card privileges
- The Credit Union reasonably deems it necessary to prevent a loss to the Credit Union

You may terminate any single party account, at any time, by notifying us in writing. We reserve the right to require consent of all multiple party account holders to terminate a multiple party account. We are not responsible for the payment of any item after your account is closed. However, if an item is paid after account closure, you agree to reimburse us immediately.

Attorney’s Fees – In the event that we file suit to enforce this Agreement or any right we may have in any account, we shall be entitled to recover reasonable attorney’s fees and costs expended in connection with any such legal proceeding.

Amendment – Subject to applicable law, we may change the terms of this Agreement. As required, by law, we will notify you of any changes in terms, rates and fees. We reserve the right to waive any term in the Agreement. Any such waiver will not affect our right to future enforcement.

Severability – If any provision of this Agreement is declared invalid, unenforceable or illegal that part will not affect the validity, enforceability or legality of any other provision.

Governing Law – This Agreement is governed by the Federal Credit Union Act, the rules and regulations of the National Credit Union Administration, the Credit Union’s Bylaws and, to the extent not preempted by Federal law, the laws of the State of Texas. Any legal action regarding this Agreement will be brought in Harris County, Texas.

Statements – The Credit Union will provide periodic statements. Checking accounts or accounts with electronic activity, i.e. Debit MasterCard transaction, home banking, audio response, will receive monthly statements. All other accounts will receive quarterly statements. Only one statement will be provided for multiple party accounts. It is your responsibility to examine your statement with “reasonable promptness” and notify the Credit Union immediately if you discover any unauthorized transactions or alterations. Failure to examine your statement within thirty (30) days of the mailing date of the earliest statement regarding any unauthorized transaction or alterations will result in your having to bear the entire loss or share the loss with us (depending on whether we exercised ordinary care and, if not, whether we substantially contributed to the loss). If you fail to receive a statement you agree to notify us within 14 days of the time that you regularly receive a statement.

Transaction Limitations – We may permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal. Drafts or other transfer or payment orders, which are drawn against insufficient funds, may be subject to a service charge as set forth in the Fee Schedule, which accompanies this Agreement. We may refuse to allow a withdrawal in some situations and will advise you accordingly. Examples of these situations include, but are not limited to, a dispute between account holders, a legal garnishment or attachment is served upon the Credit Union, the account secures an obligation to us, required documentation or identification has not been presented, a loan or credit card payment is past due or one of your other accounts is overdrawn. We reserve the right to require you to give from seven (7) to sixty (60) days written notice before any intended withdrawals.

Cash Limitations – We will limit the amount of cash that a member may withdrawal to \$1,000 per day per member.

Stop Payment of Cashiers Checks and Credit Union Checks – The remitter or payee of a Cashiers Check or Credit Union check may reclaim the amount only in cases where the check is either lost or stolen. The remitter, payee or both will have to submit a claim describing the check with reasonable certainty, complete a sworn, written affidavit called a Declaration of Loss, and provide reasonable identification upon our request. The Credit Union is not obligated to honor the claim for 90 days following the date of the check or the date of the claim whichever is later. Until that time, the Credit Union may pay the item when presented. A stop pay fee, as set forth on the Fee Schedule, may apply.

Specific Account Type Information

Primary Savings Accounts

Account Description – A primary savings account is required to establish membership and must remain open in order for you to be eligible for other accounts and services. A minimum deposit of \$5.00 is required to open the account and must remain on deposit for as long as you remain a member of the Credit Union. If that minimum balance is not maintained, your membership may be terminated at the end of the next dividend period. If you elect to close your primary savings account and cancel your membership you must wait a period of six months and still be eligible for membership before you may re-apply for membership.

Other Savings Accounts

IRA Savings Accounts

Account Description – An IRA savings account is available according to IRS regulations. IRAs are governed by the terms of a Custodial Agreement. The minimum balance to open the account is \$25.00. Deposits and withdrawals are permitted, at any time, according to IRS regulations. United Energy Credit Union strongly encourages you to speak with a qualified tax advisor before opening any IRA account.

Checking Accounts

A.) Basic Checking

Account Description – available to members 15 years of age and older. Members under the age of 18 must have a parent or legal guardian as joint owner. The parent or legal guardian assumes responsibility for any overdrafts, returned items or unpaid charges on the account. There is no minimum balance required to open the account. The Credit Union reserves the right to close your checking account when there are excessive unpaid items or repeated abuse of your Debit MasterCard. If your checking account is closed for any reason, you may not be eligible to apply to reopen the account for a period of six months. No transaction limitations apply to this account. Any fees and charges that may be assessed against your account are disclosed on the Fee Schedule.

B.) Courtesy Pay Checking

Account Description – There is no minimum balance required to open this account. Checking accounts are available to members 15 years of age and older. Members under the age of 18 must have a parent or legal guardian as a joint owner. The parent or legal guardian assumes responsibility for any overdrafts, returned items or unpaid charges on the account. The Credit Union reserves the right to obtain a credit report or other third party agency reports in conjunction with the establishment of a checking account. The Credit Union reserves the right to close your checking account in the event there are excessive returned unpaid items or repeated abuse of your Debit MasterCard. If your checking account is closed by the Credit Union for any reason, you may not be eligible to reopen the account for a period of six months. Any additional fees and charges that may be assessed against your account are also disclosed on our Fee Schedule. No transaction limitations apply to this account. The credit union may extend \$500 as a Courtesy Pay limit on this account; however, you may not use your courtesy pay in combination with overdraft protection.

Overdraft Protection -

Courtesy Pay – Courtesy Pay allows us to pay an item presented against our member's account even if it causes the account to become overdrawn. While this is not an invitation to overdraw your account, it is an added layer of safety in the event of the occasional and inadvertent error in your account. Courtesy Pay may provide eligible account holders in "good standing" with the ability to overdraw their accounts up to \$500.00.

If the account has been opened at least ninety (90) days and maintained in good standing, defined as:

- Making regular deposits sufficient to cover transactions
- Bring the account to a positive balance thru the close of business at least once every thirty (30) days
- There are no legal orders outstanding on your account
- There are no delinquent loans

We may, at our discretion, pay overdrafts up to the limit mentioned above, including any Courtesy Pay fee which may be assessed as set forth on our Fee Schedule. Whether we pay or return an item, your account may be assessed a fee for each item, either as a Courtesy Pay charge or a Non-sufficient funds charge, but you will not be charged both fees.

This non-contractual courtesy of paying overdrafts requires no account holder action. It is not a loan. No additional agreements need to be signed and it costs nothing unless an overdraft is created, either by check, debit card transaction or ACH debit. We will send you a notice each time an overdraft occurs with the exception of debit card transactions.

Although you are not charged for Courtesy Pay unless you have an overdraft you may opt out of Courtesy Pay at any time with written notice. If for any other reason do not want Courtesy Pay eligibility, you must advise us to stop paying your overdrafts with these funds.

The Credit Union's Courtesy Pay plan is a discretionary non-contractual courtesy. It is not an obligation of the Credit Union and the Credit Union may refuse to provide the courtesy on a personal or business checking account at any time and from time to time. The accountholder does not have a contractual right to Courtesy Pay and courtesy payment is not guaranteed by the Courtesy Pay Plan.

C.) Second Chance Checking

Members with a negative report from ChexSystems or TeleCheck (code 4), who do not qualify for a Basic or Courtesy Pay Checking account, may be eligible for a Second Chance Checking Account. The purpose of this checking account is to allow members to rebuild their finances. We want to give you a second chance to establish a banking relationship as the first step toward improving your credit record. A Second Chance Checking Account erases the inconvenience of not having a checking account and/or being forced to use fee-intensive alternatives.

Account Description - Second Chance Checking Accounts are available to members 18 years of age and older. Members are responsible for any overdrafts, returned items, debit card transactions or unpaid charges on the account. The Credit Union reserves the right to close the account when there are excessive unpaid items or repeated abuse of your Debit MasterCard. If your checking account is closed for any reason, you may not be eligible to apply to reopen the account for a period of six months. No transaction limitations apply to this account. Any fees and charges that may be assessed against the account are disclosed on the Fee Schedule.

Rules Applying to Second Chance Checking Accounts – Due to the nature of second chance checking, special rules apply that are not applicable to either the Basic or Courtesy Pay Checking Accounts.

- ❖ \$7.95 Monthly Service Charge
- ❖ Minimum initial deposit of \$50 to open the account
- ❖ Direct Deposit is preferred - Extended check holds (up to 7 days) may apply for personal checks deposited to Second Chance Checking Account. Other check deposits may be placed on extended hold if the credit union is not able to verify funds. The Credit Union will provide notice if an extended hold applies.
- ❖ Checks will be available to a member only after the first direct deposit has been received, or after the account has been opened one month.
- ❖ A Debit MasterCard will be ordered at the time the account is opened.

Eligibility:

- ❖ Account holder must be at least 18 years of age
- ❖ Have no past fraud on ChexSystems or TeleCheck
- ❖ Have no current delinquency with UECU
- ❖ Have no charge-off balances owed with UECU

Termination of Account – The Credit Union may terminate your account due to the following:

- ❖ Excessive returned unpaid items – excessive means more than 6 transactions drawn against insufficient funds within a 12 month period
- ❖ If there is fraud or a forgery reported or committed involving your account
- ❖ If you deposit a check that is returned for any reason
- ❖ There has been any misrepresentation or any other abuse of any of your accounts
- ❖ If your account is negative for more than 14 days
- ❖ If the credit union is made aware of payday lender transactions on the account

Special Notes Concerning “Pay Day” Loans Debits - Second Chance Checking Accounts are provided as an option for members who are trying to reconcile past financial errors and become more financially responsible. As a result, Pay Day loan debits are not authorized on this account. In applying for this account, you agree that you will not initiate any debit transaction with a Pay Day lender or like company. If, after the account is established, you have preauthorized pay day loan debits pay from your account and you wish to dispute them, you must resolve the dispute with the Pay Day loan merchant. In addition, if you choose to close your account because you have previously authorized Pay Day loan payments and subsequently decide you do not want the payments to post, you will not be allowed to open a new account for a period of six months.

Procedures for Converting to a Basic or Courtesy Pay Checking Account – If a member has maintained a Second Chance Checking Account in good standing for over 12 months; the account may be converted to either a Basic or Courtesy Pay Checking at the member’s request. The Second Chance Checking Account should not have had more than three non-sufficient funds transactions drawn against the account within the prior 12 month period. In addition the account should not

have had any fraud or disputed debit card transactions within the prior 12 month period. If after 12 months the Second Chance Checking Account does not qualify to be converted, the member may request that the account be review again in another six months.

Checking Account Access – You authorize us to pay checks signed by you and charge the payments against your account. Only checks or other methods approved by us may be used to withdraw funds from your account. In the event that your account has sufficient funds to cover some but not all items presented, we reserve the right to honor checks in any order that we may choose.

Overdrafts and Overdraft Protection – We are under no obligation to pay any item which exceeds the balance of the account upon which it is drawn. In the event that we do pay such an item, we will not waive our right to dishonor any subsequent item presented. If we do pay an item which exceeds the balance in your account, you agree to pay us immediately the amount by which the account is overdrawn, together with any fees and charges which may be assessed, as set forth on the Fee Schedule. We may honor drafts drawn on insufficient funds by transferring available funds including funds from a Line of Credit loan. By opening a checking account you may be automatically entered into an Overdraft Protection Plan, you agree that the Credit Union may apply any deposit to cover overdrafts and overdraft fees, including deposited benefits payments, such as Social Security and Supplemental Security Income. A fee, as set forth on the Fee Schedule, may be assessed for NSF's and overdraft protection transfers. Overdraft protection will not work in combination with Courtesy Pay.

Checking Account Closure - In the event that your checking account is closed with an outstanding overdrawn balance which remains unpaid after reasonable notice to you, any outstanding balances may be added to any line of credit you have with us. If the overdrawn balance is charged off as a loss to the Credit Union, membership will be automatically forfeited when your share balance is applied to the overdrawn balance. We may report this negative information about you to credit bureaus and other credit reporting agencies. Late payments, missed payments and other defaults may be reflected on your credit report.

Stale Dated Items – The Credit Union may, but is under no obligation to, pay a check drawn on your account that is presented more than six months after the date written.

Postdate Checks – We may pay any check, without regard to its date, unless you notify us in writing of the postdating. The notice must be received by us in a timely manner and must accurately describe the item, including check number, date and amount. We are not responsible for the payment of an item if inaccurate or incomplete information is provided. A written notice is effective for six months or until the item is presented. If the item is dated more than six months in advance the notice must be renewed, in writing.

Stop Payment Orders – You may request a stop payment order on any check drawn on your account whether you signed the item or not. An order is binding upon us only if it is in writing, dated, signed and accurately describes the item by check number, date written and who it is payable to. We are not responsible for the payment of the item if you give us inaccurate or incomplete information. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or any other party for payment of the item. If we re-credit your account after paying a check over a timely stop payment order you agree to sign a statement describing the dispute with the payee, to transfer to us all your rights against the payee or other holders of the item and to assist us in any legal action. A fee for a stop payment order may be charged as set forth on the Fee Schedule.

A written stop payment order is valid for six months and may be renewed, in writing, from time to time. We are under no obligation to notify you when a stop payment order expires. In the event that you request a stop payment order to be released, the request must be in writing describing the item with certainty and received in a timely manner. Only the person who initiated the stop payment order may initiate its release. Any fee assessed for the stop payment order may not be refunded.

Regular Certificate Accounts

Rate Information – the Rate Schedule, which accompanies this Agreement, reflects the available terms, minimum balance requirements, the dividend rate and the annual percentage yield. The annual percentage yield assumes that dividends will remain in the account until maturity. The dividend rate for this account is established on the day the account is opened. Dividends are paid at maturity.

Early Withdrawal Penalties – We may impose a penalty if you withdraw the principal before the maturity date. The penalty for certificates with a term of one year or less is ninety (90) days loss of dividend. The penalty may be imposed whether dividends representing the penalty have been earned or not. No penalty will be imposed if withdrawal is due to the death or permanent adjudicated disability of the account holder.

Renewal Policy – Your certificate account may automatically renew at maturity, as indicated on your Maturity Notice. If your certificate is automatically renewed you will have a grace period of seven (7) calendar days after the maturity date to deposit to, withdraw from or change the term of the account.

Disclosure Statements

Privacy Notice

United Energy Credit Union recognizes and respects the privacy of our members. Associates of the credit union have a duty to protect the confidential nature of your financial records. This policy is maintained and updated to keep our staff informed of changes in regulations that affect the credit union's financial privacy policies and procedures, including all requests for financial information from government agencies. The credit union is equally concerned about customer privacy related to electronic services and is committed to protecting member information related to this financial services option. This privacy statement applies in its entirety to any electronic services our members might use, such as personal computer (PC)-based services and Internet services.

Information We Collect

At United Energy Credit Union, we strive to provide premier service to our members. As part of this service, we obtain nonpublic personal information from you, to determine the best products to meet your financial goals. We collect “nonpublic personal information” about you from a variety of sources, including:

- Information you provide to us on applications or other forms, emails or during telephone calls (such as your name, social security number, address, email address and phone number);
- Information about your transactions or experiences with us, our affiliates or others (such as account balance and payment history);
- Information we receive from third parties, including consumer reporting agencies (such as credit relationships and history); and
- Information collected from our website (such as information you provide to us and information necessary to manage your online session with us).

For purposes of tracking website traffic, we also collect information from your browser, including your IP address, cookie information, the page you visited immediately before you visited our web site, the pages on our web site that you request, the date and length of your visit and similar information. This information is not saved in any manner that is associated with your personally-identifiable information.

Information We Share

In order for us to service your requests, process applications and conduct daily business, we share information we collect only with companies we own (affiliates) and carefully selected outside companies for the sole purpose of performing services on our behalf (non-affiliates). We do not disclose nonpublic personal information about you to anyone except as permitted or required by law. We do not sell your personal information to companies for their independent use. If you decide to close your account(s) or become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice.

Information Sharing with Affiliates

To the extent permitted by law, we may share information about your experiences and transactions with us, other non-transactional information about you (such as application and credit-related information) as well as identification

information, with companies that are our affiliates. We may also share nonpublic personal information about you with our affiliates if we have your authorization or upon your request.

Information Sharing with Non-Affiliates

We may disclose all the information we collect, as described previously and as permitted by law, to companies that perform marketing services on our behalf, or to other financial institutions with whom we have joint marketing agreements.

In order to conduct the business of the credit union, we may also disclose nonpublic personal information about you under other circumstances as permitted or required by law. These disclosures typically include information to process transactions on your behalf, conduct the operations of our credit union, follow your instructions as you authorize, and to protect the security of our financial records. We carefully select the companies that provide services on our behalf, or that offer you financial products or services that we do not provide. We only provide these companies with information that is necessary for them to fulfill their responsibilities or to provide a financial service to you.

To protect our members' privacy, we only work with companies that agree to maintain strong confidentiality protections and limit the use of information we provide. We do not permit these companies to sell the member information we provide.

Other Situations

We disclose information about you when required or permitted by law, such as in response to subpoenas and to credit reporting agencies. We do not disclose any nonpublic personal information about our former members to anyone, except as permitted or required by law.

Your Right to Privacy

We respect your right to privacy. As noted above, we do not disclose nonpublic personal information about you to anyone except as permitted or required by law. The credit union will not disclose nonpublic personal information on joint owners or co-borrowers to any third parties. We do not share your nonpublic personal information with companies for their independent use without getting your authorization to do so. We may continue to use and share your information, absent your authorization, for the purpose of servicing your account or offering products to you. If you have any questions about our privacy practices, you may call the credit union at 281.964.1777 or 800.380.5430.

Our Confidentiality and Security Procedures

The protection of your personal information is important to us. We take steps to safeguard such information. We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We also maintain physical, electronic, and procedural safeguards to protect your personal information. We use multiple firewall layers, intrusion detection software, encryption and access control lists.

What Members Can Do to Help

United Energy Credit Union is committed to protecting the privacy of its members. Members can help by following these simple guidelines:

- Protect your account numbers, card numbers, PINs (personal identification numbers) and passwords. Never keep your PIN with your Debit MasterCard or credit card which can provide free access to your accounts if your card is lost or stolen; Use caution when disclosing your account numbers, social security number, etc. to other persons.
- If someone calls you, explains the call is on behalf of the credit union and asks for your account number, you should beware. Official credit union staff will have access to your information and will not need to ask for it;
- Keep your information with us current. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately. If your address or phone number changes, please let us know;
- Let us know if you have questions. Please do not hesitate to call us – we are here to serve you. Third Party Link Disclaimer

Third Party Link Disclaimer

United Energy Credit Union (UECU) does not endorse or guarantee 3rd party links. The products and services offered on 3rd party sites are not products of UECU. UECU cannot attest to the accuracy of information provided by the linked sites. Linking to a web site does not consider endorsement by UECU, or any of its employees, of the sponsors of the site or the products presented on the site.

Fair Credit Reporting Act

The Fair Credit Reporting Act covers the widest range of information sharing between the credit union and its affiliates. This act permits the credit union and its affiliates to share identification information, as well as information based solely on your transactions with us and our experiences with you. We never share credit report information with our affiliates.

You also have the right to notify us if you believe we have reported inaccurate information about your account to a credit bureau or consumer reporting agency. All notices should be sent in writing to United Energy Credit Union, 8790 FM 1960 Bypass Rd W #500, Humble, TX 77338. All correspondence should include your complete name, current address, social security number, telephone number, account number, type of account, specific item of dispute, and the reason why you believe the information reported is in error.

Effective Date

The effective date of this policy is March 1, 2008. It replaces all prior privacy policies issued by United Energy Credit Union. We reserve the right to change our policy. Revisions of this policy will be posted on our website and mailed to our members periodically and whenever required by law. Visitors to our website should review our privacy policy from time to time to stay abreast of changes. If you have questions concerning this notice, please call us at 281.964.1777 or 800.380.5430.

Truth in Savings Disclosure

Except as specifically described, the following disclosures apply to all accounts:

Rate Information – The Annual Percentage Yield (APY) is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. Annual period refers to a 365 day year. For all accounts, the dividend rate and the annual percentage yield may change at any time, without notice, as determined by the Credit Union's Board of Directors.

Nature of Dividends – Dividends are paid from current income and available earnings after the required transfer to reserves at the end of the dividend period.

Dividend Compounding and Crediting – Dividends for all savings accounts, checking accounts and IRA accounts, are compounded and credited quarterly.

Dividends for all Term Share Accounts are paid at maturity.

Quarterly Dividend Period – The beginning date of the first dividend period of the calendar year is January 1st. The ending date of the first dividend period is March 31st. Dividends are calculated as of the end of the period and are credited the first day of the next period.

If you close an account before dividends are credited, you will not receive any accrued dividends.

Accrual of Dividends – For all accounts, dividends will begin to accrue on cash and non-cash deposits (for example, checks) on the business day you make the deposit to your account.

Balance Computation Method – Dividends are calculated by the Daily Average Balance Method. This method applies a periodic rate to the average daily balance in your account for the dividend period. The average daily balance is calculated by adding the balance in the account at the end of each day in the dividend period and dividing that figure by the number of days in the dividend period.

Balance Requirement Information – The minimum daily average balances required to earn dividends for all accounts are stated on the Rate Sheet which accompanies this Agreement.

Fees and Charges – Any fees and charges that may be assessed against your account are disclosed on the Fee Schedule which accompanies this Agreement.

Electronic Funds Transfer (EFT) Agreement and Disclosure

This disclosure is made in compliance with Federal Reserve Regulation E and MasterCard Operating Rules. It covers your rights and responsibilities as well as the Credit Union's rights and responsibilities. In this Agreement, the words "you" and "yours" means those who have signed the application or account card as applicants or joint owners. The words "we," "us" and "our" mean the Credit Union. The word account means any one or more checking and savings accounts you have with the Credit Union. By signing an account card or application for EFT services, each of you jointly and severally, agree to the terms and conditions in the Agreement and any amendments to the EFT services offered.

EFT Services Offered

ATM card – you may use your ATM card and PIN to do the following:

Make deposits to your checking and savings accounts at United Energy Credit Union owned ATMs.

- ❖ Withdraw funds from your savings and/or checking accounts
- ❖ Transfer funds between your checking account and savings account
- ❖ Obtain balance information for your checking and savings accounts
- ❖ Make purchases at Point of Sale (POS) terminals

The following limitations on the frequency and amount of ATM transactions may apply:

- ❖ A combined limit of 20 cash withdrawals or POS transactions permitted per day
- ❖ A combined cash withdrawal or POS limit of \$610.00 per day online or \$400.00 per day offline
- ❖ You may transfer up to the available balance in your account at the time of the transfer

If an offline transaction overdraws your account, you agree to make immediate payment of any overdraft, along with any service charge that may be assessed at set forth on the Fee Schedule. In the case of repeated overdrafts, the Credit Union may terminate your ATM card services. You agree that you will not use your card for any transaction that is illegal under applicable federal, state or local law.

Fees and Charges – See current Fee Schedule. If you use an ATM, not owned by us, you may be charged a fee by the ATM owner or any network used to complete the transaction (including balance inquiries). The fee will be debited from your account along with the amount of the transaction. The credit union will charge \$1.00 per transaction after the 4th cash transaction in addition to the fee that may be charged by the ATM owner.

Debit MasterCard – You may use your Debit MasterCard and PIN and the same transactions and limitations as for ATM cards will apply. The credit union will charge \$1.00 per transaction after the 4th cash transaction in addition to the fee that may be charged by the ATM owner. You may use your Debit MasterCard and signature to purchase goods and services from participating merchants. Funds to cover Debit MasterCard purchases will be deducted from your checking account. If there are not sufficient funds in your checking account at the time of purchase, your transaction will be denied. Should a transaction overdraw your account, you agree to make immediate payment of the overdraft, along with any service charges that may be assessed as set forth on the Fee Schedule. You agree that you will not use your card for any transaction that is deemed illegal under applicable federal, state or local law. The following limitations on the frequency and amount of amount of signature-based transactions may apply:

- ❖ A limit of 20 open to buy holds permitted at one time
- ❖ An online open to buy limit of \$2,500.00
- ❖ An offline open to buy limit of \$ 500.00

Fees and Charges – See current Fee Schedule. If you use an ATM, not owned by us, you may be charged a fee by the ATM owner or any network used to complete the transaction (including balance inquiries). The fee will be debited from your account along with the amount of the transaction.

Touch Tone Teller (Audio Response Unit) – Touch Tone Teller allows you to access your accounts, by touchtone phone, 24 hours a day, 7 days a week. Service may be interrupted for a short time each day for data processing or periodic maintenance. You must have a password (of your own choosing) and your account number to access your account. The following transactions and inquiries are provided on Touch Tone Teller.

- ❖ Transfer funds between your checking, savings accounts and Line of Credit.
- ❖ Obtain balance information on all accounts.
- ❖ Obtain loan balances, payment amount, payoff amount and interest paid to date.
- ❖ Make loan payment from your savings or checking accounts.
- ❖ Obtain deposit or withdrawal information for your accounts.
- ❖ Obtain credit card balances.
- ❖ Obtain information on dividends earned on your accounts.
- ❖ Request a check withdrawal. All checks will be paid to the primary owner and mailed to the address on record.

There is not a limit to the number of times you can access your account each day. We may refuse to honor any transaction drawn on insufficient or unavailable funds.

eBranch– Allows online access to your accounts. Initially you will need your account number and last 4 digits of your social security number to access your accounts. Upon entering your account number and SS#, you will be asked to choose a new password. This service is available 24 hours a day, 7 days a week. Service may be interrupted for a short time each day for data processing or periodic maintenance. The following transaction and inquiries are provided:

- ❖ Transfer funds between your checking, savings, and Line of Credit.
- ❖ Obtain balance information on all accounts and loans
- ❖ Make loan payments
- ❖ Obtain Credit Card balances
- ❖ Print out account histories or download
- ❖ Schedule account notifications

There is no limit to the number of times you can access your account each day. We may refuse to honor any transaction drawn on insufficient or unavailable funds.

Fees and Charges – Any fees or charges which may be assessed are reflected on the Fee Schedule which accompanies this Agreement.

Preauthorized EFTs

Direct Deposit - the Credit Union will accept electronic deposits of your paycheck or other recurring payments, such as Social Security. There is no charge for electronic deposits to your account.

Preauthorized Debits – The Credit Union will accept preauthorized debits, initiated by you, from your checking or savings account. The originator of the debit is responsible for giving a copy of the authorization to you and for keeping a copy of your authorization.

Electronic Check Conversion/Electronic Returned Check Fees – A merchant may convert a check to an electronic funds transfer with your authorization. A merchant may also debit your account electronically for any returned check fees with your authorization. You agree that your authorization for an electronic check transaction occurs after receiving any notice regarding the merchant's right to process the transaction, including any posted sign provided by the merchant at the time of your transaction.

Conditions of EFT Services

You agree that any card issued to you is the property of the Credit Union and must be returned to us immediately upon request. The card may be repossessed or deactivated, at any time, without notice. You agree that your card cannot be transferred to another person.

Neither the Credit Union nor any merchant authorized to accept the card would be responsible for the refusal to honor the card. If a merchant agrees to give you a refund or adjustment you agree to accept a credit to your account in lieu of a cash refund. Debit MasterCard purchases or cash withdrawals made in foreign countries and foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is:

A rate selected by MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives or the government-mandated rate in effect for the applicable processing date. In addition you will be charged an International Assessment Fee of 1% of the transaction amount for any card transaction made in a foreign country.

You agree that any security codes issued to or chosen by you (ATM/Debit MasterCard PINS, Touch Tone Teller PIN and eBranch password) are confidential and should not be disclosed to any third party or recorded on or carried with your card. You are responsible for the safe keeping of your security codes and you agree not to disclose or make available your security codes to anyone not authorized to access your account. If you fail to maintain the security of these codes and the Credit Union suffers a loss, we have the right to terminate the EFT service immediately.

The Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account holder. Each joint owner is authorized to act for the other account holders. All joint owners, both jointly and severally, are responsible for all EFT transaction as provided in this Agreement.

Member Liability

You are responsible for all EFT transactions that you authorize. If you allow someone else to use an EFT service, such as your ATM or Debit MasterCard or any of your access codes, you are responsible for any transactions they initiate, both now and in the future.

Tell us IMMEDIATELY if you believe that your ATM card, Debit MasterCard or any of your access cards have been lost, stolen or compromised in any manner. Telephoning the Credit Union is the best way of keeping your possible losses down. You may also tell us in person, by mail or by email. A delay in notifying us could mean a loss of all money in your accounts plus any Line of Credit you may have. Please call or write:

United Energy Credit Union
8790 FM 1960 Bypass Rd W #A500
Humble, TX 77338
281.964.1777 or 1-800.380.5430
www.unitedenergycu.com

For ATM cards or Debit MasterCards that are lost or stolen after Credit Union hours, please call:
1-800-264-5578

You have no liability for the unauthorized use of your Debit MasterCard when the transaction is processed through the MasterCard network (signature transaction) unless you were negligent in the handling of your card.

If your ATM card or Debit MasterCard is lost or stolen and used at an ATM or Point-of-Sale device, with a PIN, you must tell us within 2 business days after you learn of the loss or theft. If you tell us within 2 business days, you will be liable for no more than \$50.00. If you do not tell us of the loss or theft of your card within 2 business days after you learn of the loss or theft and we can prove that we could have stopped someone from using your card or PIN without your permission, you could be liable for as much as \$500.00. These same rules apply to your Touch Tone Teller PIN and eBranch password.

If your statement shows any EFT transactions that you did not authorize, again, tell us IMMEDIATELY. If you do not tell us within 60 days after the first statement was made available to you which shows the unauthorized EFT, and we can prove that we could have stopped someone from making the transactions, you may not be reimbursed for any funds lost after the 60 days. If a legitimate reason (such as an extended trip or hospital stay) kept you from notifying us, we may extend the time period.

Right to Receive Documentation

Periodic Statements – All EFT transactions mentioned above will be reflected on your periodic statement. Savings accounts with EFT transactions will receive statements monthly. If no EFT transactions occur within a given month, you will receive your statement quarterly.

Terminal Receipts – A receipt will be issued at the time any transaction involving an ATM, POS or Debit MasterCard purchase is made. (Please note: effective August 6, 2007, terminal receipts are no longer required on transactions of \$15.00 or less.) We encourage you to retain these receipts for comparison to the information provided on your periodic statement.

Direct Deposit – If you have arranged to receive direct deposit at least every 60 days from the same company or person, you can call us at 281.964.1777 or 1-800.380.5430 to find out if the direct deposit has been credited to your account.

Disclosure of Information to Third Parties

We will disclose information to third parties about your account or transfers you make:

- ❖ When necessary to complete the transaction
- ❖ In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant
- ❖ In order to comply with any government agency or court order
- ❖ If you give us written permission

Business Days

Our business days are Monday through Friday, excluding any holidays designated by the credit union.

Stop Payment Rights

You may place a Stop Payment on any preauthorized transfer from your account. You must notify us in writing, up to three (3) business days before the scheduled date of the transfer. A stop payment fee, as set forth on the Fee Schedule, may be assessed against your account. The stop payment order is valid for a period of 6 months, or until the item is presented, whichever occurs first.

Credit Union Liability

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, we will not be liable for direct or consequential damages under the following circumstances:

- ❖ If, through no fault of ours, you do not have enough available funds in your account to complete the transfer.
- ❖ If the funds in your account are subject to any legal process, such as a garnishment or levy, or if the account is subject to a pledge or security agreement or because of a delinquent obligation.
- ❖ If you used your card or PIN in an incorrect manner.
- ❖ If the ATM you are using does not have enough cash.
- ❖ If the ATM, audio response or home banking unit was not working properly and you knew about the breakdown when you started the transaction.
- ❖ If circumstances beyond our control (such as fire, power failure, flood) prevent the transaction from being processed.
- ❖ If the transfer would go over the credit limit on your Line of Credit.
- ❖ Any other exception as established by the Credit Union

Failure to Stop Payment – if you order us to place a stop payment on a preauthorized transfer three (3) business days or more before the scheduled date of the transfer, and we fail to do so, we will be liable for your losses or damages.

Notice of Varying Amounts – It is the responsibility of the originator of a preauthorized debit to notify you ten (10) days before each payment of the amount of the payment. Per your agreement with the originator, you may elect to receive notice only if the amount will vary only by more than a certain dollar amount from the previous payment.

Notices

All notices from us will be effective at the time they are mailed or delivered to your last known address in the Credit Union records. Notices from you are effective when they are received by Credit Union personnel at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. Notice will be mailed to you at least 21 days prior to the effective date of any change. Use of EFT services are subject to existing regulations governing the Credit Union and any future changes to those regulations.

ATM & Night Drop Security Precautions

- ❖ Always observe your surroundings before conducting business at an ATM or Night Drop facility. Avoid poorly lit areas or areas with an obstructed view.
- ❖ Take along a companion when using an ATM or Night Drop facility, especially at night.
- ❖ Minimize the time spent at an ATM by having your card out and ready to use. Never count your cash at the ATM. Never allow a stranger to help you even if you are having trouble with your transaction.
- ❖ Stand between the ATM and anyone waiting to use the ATM so that they cannot see you entering your PIN or transaction amount.
- ❖ Trust your instincts! If you see anyone or anything suspicious, cancel your transaction and leave immediately.
- ❖ If you think you are being followed after making an ATM transaction, go immediately to a crowded, well-lit area and call the police.
- ❖ At a drive up ATM, keep your doors locked, windows closed and engine running while waiting to use the ATM. Leave enough room between your car and the car in front of you in case a quick exit becomes necessary.

In Case of Errors or Questions

If you have any questions regarding any EFT transaction or feel that an error has been made, you may telephone us at 281.964.1777 or toll free at 1-800.380.5430. You may also write to us at United Energy Credit Union, 8790 FM 1960 Bypass Rd W. #A500. Please include your name and account number, describe the transfer in question and explain what the error is or why you need more information. We must hear from you no later than sixty (60) days after we sent the FIRST statement on which the problem or error appeared. If you tell us orally, we reserve the right to request your complaint or question in writing within ten (10) business days.

We will tell you the results of our investigation within ten (10) business days after we hear from you and any errors will be corrected promptly. However, we may take up to forty five (45) days to continue to investigate your complaint or question. If this becomes necessary, we will provisionally re-credit your account, within ten (10) business days for the amount in question so that you will have use of the money. If we ask you to put your question or complaint in writing, and we do not receive it within ten (10) business days, we may not re-credit your account.

We will tell you the results of our investigation within three (3) days of completing the transaction. If we decide that no error was made, we will send you a written explanation and the provisional credit will be reversed. You have the right to request copies of any documentation that was used in the investigation.

If the error or question is regarding a Debit MasterCard transaction where no PIN was entered, we will give you provisional credit within five (5) business days. We may withhold provisional credit to the extent allowed by applicable law if the circumstances or account history warrants the delay.

Special Rules for New Accounts – If the error involves an EFT transaction to or from an account within thirty (30) days after the first deposit was made, we will provisionally credit your account within twenty (20) business days and we may take up to ninety (90) days to complete our investigation.

Right to Terminate EFT Services

You have the right to terminate any EFT service, under this Agreement, by notifying us in writing and stopping the use of your card and any PIN or security code. All cards must be returned to the Credit Union. Regarding preauthorized debits, you agree to first notify any merchants or creditors that your authority to initiate EFT services has been revoked in any manner that the merchant or creditor requires. We may also terminate any EFT service, at any time, without notice. If we terminate your EFT services, we may notify any merchant or creditor making preauthorized debits or credits that this Agreement has been terminated and that we will no longer accept these transactions. We also deactivate any cards or security codes for any

EFT service. Whether you or the Credit Union terminates this Agreement, the termination will not affect your obligations under this Agreement for any EFT transactions made prior to the termination.

Governing Law

This Agreement is governed by the Credit Union Bylaws, Federal law and regulations, the laws and regulations of the state of Texas and local Clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement are subject to the jurisdiction of Harris County.

Enforcement

You are liable to the Credit Union for any loss, cost or expenses we may incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, cost or expense from your account without notice. If we bring legal action to collect any amount due under or to enforce this Agreement, we will be entitled subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceeding and any post-judgment collection actions.

Funds Availability Policy Disclosure

Federal Regulation CC requires all financial institutions to make funds deposited into checking accounts available for withdrawal within specified time periods and disclose their "Funds Availability" policy to depositors.

General Policy

In most cases, our policy is to make funds from your deposits available to you on the next business day after the deposit is made. Electronic direct deposits will be available on the day that we receive the deposit. At that time, you can withdraw the funds in cash and/or we will use the funds to clear checks that you have written.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays, and credit union holidays. If you make a deposit during regular business hours on a business day that we are open, we will consider that day to be the day of your deposit. If you make a deposit after regular business hours or on a day that we are not open, we will consider the deposit made on the next business day that we are open. All deposits made through the Night Drop facility, whether cash or check, will be available within two business days.

Reservation of Right to Hold

In some cases, we may not make all of the funds that you deposit by check available to you on the next day. Depending on the type of check, funds may not be available until the second business day after your deposit. If we need to delay your ability to withdraw funds, they will be available no later than the seventh business day. However, the first \$200 of your deposit will be available to you either the same day or the next business day after the day of deposit. If we are not going to make all your funds available either on the same day or the next business day, we will notify you at the time that you make the deposit. At that time you will also be told the date that the funds will be available. If your deposit is not made directly to one of our employees (deposit made through the mail or Night Drop) or if we decide to take this action after you leave, we will mail you a notice of hold by the next business day after we receive your deposit. If you need the funds from a deposit immediately, you should ask us when the funds will be available.

If we cash a check for you that is drawn on another financial institution, we may hold the availability of corresponding funds that are already in one of your accounts. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Longer Delays May Apply – Due to the reasons listed below, we may delay your ability to withdraw funds deposited by check for a longer period of time if:

- ❖ The item deposited is a personal check deposited to a Second Chance Checking Account.
- ❖ We have reason to believe that the check you deposited will be returned unpaid.
- ❖ You deposit checks totaling more than \$5,000.00 in any one day.
- ❖ You re-depositing a check that had been previously returned unpaid.
- ❖ You have overdrawn your account, repeatedly (6+), in the last six (6) months.

- ❖ There is an emergency, such as a failure of communications or computer equipment.
- ❖ Item is being deposited into a New Account.

We will notify you if we delay your ability to withdraw funds for any of these reasons and we will tell you when the funds will be available. They will generally be available no later than the 7th business day after the day of your deposit.

Check 21 (Check Clearing for the 21st Century Act)

To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and the back of the original check. The front of a substitute check states: “This is a legal copy of your check. You may use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive a substitute check from us. The rights in this notice do not apply to original checks or electronic debits to your account. However, you have rights under other laws with respect to those transactions.

What are your rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account. For example, if you think we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check. The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal. For example, bounced check fees. The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your account is an interest bearing account. If your losses exceed the amount of the substitute check, you may be able to recover additional amounts under other laws.

If you use this procedure, you may receive up to \$2,500.00 of your refund (plus interest if your account earns interest) within ten (10) days after we receive your claim and the remainder of your refund (plus interest if your account earns interest) not later than forty five (45) calendar days after we receive your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do you make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please write us at the address listed on your statement. You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We may extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- ❖ A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect).
- ❖ An estimate of the amount of your loss.
- ❖ An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss.
- ❖ A copy of the substitute check or information to help us identify the substitute check. For example, the check number, the name of the person to whom you wrote the check and the amount of the check.

