

This Membership Account Agreement is the contract of deposit that covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words "You" and "Yours" mean those who sign the Member Account Application. The words "We", "Us", "Our" and "Credit Union" mean Lower East Side People's Federal Credit Union. The word "account" means any account or accounts you have with the Credit Union. The classification and form of ownership of your accounts are designated on your Member Account Application.

By signing the Member Account Application that is a part of the Agreement, or by establishing and using the account, each of you, jointly and severally, agrees to the terms and conditions in this Agreement, and any, Truth-in-Savings Disclosures, Rate Addendum, Fee Schedule, Funds Availability Policy, Electronic Funds Transfer Agreement, Privacy Policy, or account receipt accompanying this Agreement, the Credit Union's bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement as amended from time to time.

**Important Information About Procedures For Opening A New Account:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**What this means for you:** When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

### ACCOUNT AGREEMENT

**YOU AGREE AND ACKNOWLEDGE THAT THIS AGREEMENT CONTROLS YOUR ACCOUNT(S) WITH THE CREDIT UNION, TOGETHER WITH ANY OTHER RELATED DOCUMENT SUCH AS OUR FUNDS AVAILABILITY POLICY AND ELECTRONIC FUND TRANSFER AGREEMENT AND/OR AGREEMENTS AND DISCLOSURES, ALL OF WHICH, TO THE EXTENT APPLICABLE, ARE INCORPORATED INTO THIS AGREEMENT BY REFERENCE.**

**1. MEMBERSHIP ELIGIBILITY.** To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership, and must purchase and maintain at least one share as required by Credit Union Bylaws. To verify your eligibility for the accounts and services you request, you authorize us to investigate your account history, credit history, and employment history and to obtain a credit report from third parties, including credit reporting agencies.

**2. INDIVIDUAL ACCOUNTS.** An Individual account is an account owned by one member, including any natural person, Sole Proprietor "doing business as" (DBA), corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is an Individual account, the interest of a deceased natural person owner will pass, subject to applicable law, to the decedent's estate or payable on death (POD) beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death, any security interest or pledge granted by the account owner, and our statutory lien rights.

**3. JOINT ACCOUNTS.** An account owned by two or more persons is a Joint account.

**a. Rights of Joint Account Owners.** Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Any account owner may withdraw all available funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the funds of any account, including funds representing a membership share, without the consent of the other account owner(s), and the Credit Union shall have no duty to notify any other joint account owner(s) of any such actions taken by an account owner. If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions 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.

**b. Joint Account Owner Liability.** If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount, and any charges and transactions, regardless of who created the overdraft, deposited or cashed the item, or benefited from or initiated the transaction. A joint owner shall be responsible for returning any unused drafts or access devices from any joint owner removed from the account. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

**c. Rights of Survivorship.** For a joint account, the existence or non-existence of rights of survivorship shall be established by designation on the Membership Application. If the Membership Application designation is "Joint account with survivorship," then, on the death of an owner of the account, the deceased owner's interest in the account passes to the surviving owner(s) of the account. If the designation is "Joint account - no survivorship," then, on the death of an owner of the account, the deceased owner's interest in the account passes as a part of that owner's estate under the deceased owner's will, trust, or by intestacy. If no designation is made on the Membership Application or if the designation is unclear, a multiple owner's account does not include rights of survivorship.

**4. JOINT ACCOUNT DISCLOSURE NOTICE.** Section 675 of the NYS Banking Law and NYS Banking Board General Regulations Part 15 require that the following information be disclosed to each owner of a joint account: (1) The account balance, and any additions thereto, become the property of each owner as joint tenants and, as such, the credit union may release the entire account to any owner during the lifetime of all owners. (2) The credit union may honor checks drawn by, or withdrawal requests from, any owner during the lifetime of all owners. (3) The credit union may be required by service of legal process to remit funds held in the joint account to satisfy a judgment entered against, or other valid debt incurred by any owner of the account. (4) The credit union may honor checks drawn by, or withdrawal requests from the survivor(s) after the death of any owner(s). (5) The credit union may treat the account as the sole property of the survivor(s) after the death of any owner(s). (6) Unless the credit union receives written notice signed by any owner not to pay or deliver any joint deposit or addition or accrual thereon, the credit union shall not be liable to any owner for continuing to honor checks drawn by, or withdrawal requests from, any owner. (7) After receipt of the written notice referred to in Number 6 above, the credit union may require the written authorization of any or all joint owners for any further payments or deliveries. (8) Any owner may pledge all or any part of the account balance in this account as collateral security for a loan or loans.

**5. PAYABLE ON DEATH (POD)/TRUST ACCOUNT DESIGNATIONS.** A Payable on Death (POD) account or Trust account designation is a written instruction to the credit union that an individual or joint account so designated is payable to the owner(s)/trustee(s) during his, her or their lifetimes and, when the last account owner/trustee dies, is payable to all surviving POD or trust beneficiaries/payees. If there is more than one surviving beneficiary/payee, the account is owned jointly by such beneficiaries/payees without rights of survivorship upon the death of the last account owner. Any POD or trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. It is your responsibility to understand the legal implications of establishing an account with a Payable on Death/Trust designation.

This paragraph applies only to a trust that is established at the time an account is opened. This paragraph does not apply to an account held on behalf of or held in the name of a trust previously established under applicable law. The trust documents establishing such a trust shall control disposition of funds held by such trust.

**6. ACCOUNTS FOR MINORS.** For any account established by or for a minor, the Credit Union reserves the right to require that any minor account owner has been issued his or her Social Security Number (SSN) or Tax Identification Number (TIN), and to have a qualified joint account owner who is at least eighteen (18) years of age, who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. The minor account owner's Social Security Number (SSN) or Tax Identification Number (TIN) must be shown on the account. We will be unable to open an account for a minor who has not been issued or applied for an SSN or TIN. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The Credit Union will not honor any transaction request by a parent or guardian who is not a joint account owner. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

**7. UNIFORM TRANSFERS TO MINORS ACT / UNIFORM GIFT TO MINORS ACT ACCOUNT.** A Uniform Transfers to Minors Act (UTMA) Account / Uniform Gift to Minors Act (UGMA) Account is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

The gift of money to the minor named at the time an UTMA/UGMA Account is established includes all dividends on the amount deposited and all dividends on any future additional deposits. An UTMA/UGMA Account is established in accordance with and is subject to all provisions of the Uniform Transfers/Gifts To Minors Act in effect in the state in which the Account is established, and as it may be modified from time to time thereafter. The age of delivery to the FBO minor shall be upon the minor obtaining the age of majority as established by the applicable State's UTMA/UGMA statute, unless otherwise specified by the custodian.

It is your responsibility to determine any legal effects related to this type of Account.

**8. AGENCY DESIGNATION.** An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or credit union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

It is your responsibility to determine any legal effects related to establishing an account with an agency designation.

**9. TRUST ACCOUNT.** The parties named as trustees to the Account own the Account in proportion to the parties' net contributions to the Account. A trustee may withdraw funds from the Account. A beneficiary may not withdraw funds from the Account before all trustees are deceased. On the death of the last surviving trustee, the ownership of the Account passes to the beneficiary. The trust Account is not a part of a trustee's estate and does not pass under the trustee's Will or by intestacy, unless the trustee survives all of the beneficiaries and all other trustees.

**10. DEPOSIT REQUIREMENTS.** Funds may be deposited to any account in any manner approved by the Credit Union in accordance with and subject to the requirements and limitations set forth in the Rate Addendum. All accounts are non-assignable and nonnegotiable to third parties. Certificate accounts are governed by the terms of this Agreement, the terms of the Rate Addendum and Schedule of Fees and Charges, and the terms and disclosures on your certificate account receipt for each account, which is incorporated herein by this reference.

**a. Endorsements.** You authorize the Credit Union, at its discretion, to accept transfers, checks or drafts and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. The Credit Union reserves the right to verify all endorsements on checks or drafts presented for deposit, either in person or by comparison with member signature files. If insurance, government, and certain other checks require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the space on the back of the check

between the top edge and one and a half inches from the top edge. The Credit Union may accept checks with endorsements outside this space. However, if any such endorsements or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error. If a check or item that is payable to two (2) or more persons is ambiguous as to whether it is payable to either or both, we may process the check or item as though it is payable to either person.

**b. Collection of Items.** The Credit Union shall not be responsible for deposits made by mail or at an un-staffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection.

**c. Restrictive Legends.** Some checks contain restrictive legends or similar limitations on the front of the item. Some examples of restrictive legends include "two signatures required", "void after 60 days" or "not valid over \$500.00." We are not liable for payment of any check contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.

**d. Final Payment.** All items or Automated Clearing House (ACH) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such a fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

**e. Direct Deposits.** The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e. payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposits or preauthorized transfers by a separate authorization. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit including government payments or benefits. Upon filing of bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

**f. Crediting of Deposits.** Deposits made on non-business days will be credited to your account on the next business day. Deposits received at un-staffed facilities such as night depositories and ATMs will be credited on the day funds are removed and processed by the Credit Union. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

## 11. ACCOUNT ACCESS

**a. Authorized Signature.** Your signature on the Membership Application authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

**b. Access Options.** You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, Internet access, mobile device, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are

responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We reserve the right to restrict account withdrawals or transfers from your account, provided that we shall not be liable for any damages arising from any action we take regarding either: (i) withdrawals or transfers; or (ii) payments or nonpayment of a check or draft, except for those damages which may arise solely as a result of the credit union's negligence.

- c. **Credit Union Examination.** The Credit Union may disregard information on any check or draft other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree that the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

- 12. **ACH AND WIRE TRANSFERS.** Except as amended by this Agreement, electronic funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code (UCC-4A) will be subject to such provisions of the UCC as enacted by the state in which the account is held. Credits given by any Receiving Depository Financial Institution (RDFI) to the receiver with respect to any ACH credit entries subject to UCC-4A initiated from your account(s) are provisional until the RDFI has received final settlement through a Federal Reserve Bank, or has otherwise received payment as provided in §4A-403(a) of UCC-4A. If the RDFI does not receive final settlement or payment, then that institution shall be entitled to a refund from the receiver of the amount that was credited, and the Credit Union shall not be deemed to have paid the receiver the amount of such entry.

We may execute certain requests for electronic fund transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order electronic fund transfers to or from your account. We will debit your account for the amount of an electronic fund transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. We will not provide you with next day notice of ACH, wire transfers and other electronic payments credited to your account.

You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and, if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request.

When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. You understand and agree that the credit union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number you have provided, even if the number identifies a different person or financial institution.

Any account owner may amend or cancel a payment order even if that person did not initiate the order. We may refuse requests to amend or cancel a payment order that we believe will expose the credit union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable. From time to time, we may need to suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law, and this action may affect settlement or availability of the transaction.

- 13. **UCC ARTICLE 4A DISCLOSURE.** Disclosures Regarding Electronic "Wholesale Credit" Transactions Subject To Uniform Commercial Code Article 4a.

- a. **Provisional Payment.** Credit given by us to you with respect to an automated clearing house credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.
- b. **Notice of Receipt of Entry.** Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statement we provide to you.
- c. **Choice of Law.** We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of New York, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

#### 14. ELECTRONIC CHECK TRANSACTIONS

- a. **Electronic Checks.** If you authorize a merchant to electronically debit your share draft account using the routing, account, and serial number of your draft to initiate the transfer, whether the draft is blank, partially- or fully-completed and signed, such authorization is an electronic draft conversion. An electronic check conversion is an electronic fund transfer (EFT) subject to the terms of the Electronic Fund Transfers Agreement. You authorize us to honor any electronic draft conversion from your share draft account.
- b. **Electronic Re-presented Checks.** If you write a draft on a personal account that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the draft may re-present the draft to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the draft. If we receive an electronic re-presented draft, we will pay or return the electronic re-presented draft as if the original paper draft was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic fund transfer subject to the terms of the Electronic Fund Transfers Agreement. If you want to reverse an electronic re-presented draft, you must give us an affidavit within fifteen (15) days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented draft. In your affidavit, you must declare and swear/affirm under penalty of perjury that the electronic re-presented draft was ineligible or unauthorized. If we receive a proper notice of affidavit from you within the 15-day period, we will recredit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented draft, you must follow the procedures for stopping payment of drafts, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper draft or a copy of the paper draft, and we provide it to you, you agree that you will not seek to have your account re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.

- 15. **ACCOUNT RATES AND FEES.** The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment, and balance requirements as set forth in the Rate Addendum and Schedule of Fees. You agree that the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate Addendum and Schedule of Fees has changes from time to time and you will be notified.

#### 16. TRANSACTION LIMITATIONS

- a. **Withdrawal Restrictions.** The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft coverage plan. Drafts or other transfer or payment orders that are drawn against insufficient available funds will be subject to a service charge set forth in the Schedule of Fees. You understand and agree that multiple attempts may be made to submit an item for payment and that multiple fees may be charged to you as a result of these represented item(s). If there are sufficient available funds to cover some but not all of your withdrawal

orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion.

The Credit Union may also refuse to allow a withdrawal in other cases, for example: if there is any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); if a legal garnishment or attachment is served; if the account secures an obligation to the Credit Union; if any required documentation has not been presented; or if you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except share draft accounts) of no less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

- b. Transfer Limitations.** For all share accounts, you may make up to six (6) preauthorized, automatic, telephonic, or home-banking transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders, including written orders received through the automated clearing house (ACH). There is no limit to the number of transactions you may make in the following manner:
- i. transfers to any loan account with the Credit Union;
  - ii. transfers to another Credit Union account or withdrawals (drafts mailed directly to you) when such a transfer or withdrawal is initiated in person, by mail, or at an ATM.

If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union and the Credit Union may impose a charge as set forth in the Rate Addendum and Schedule of Fees and Charges.

## 17. OVERDRAFTS

- a. Overdraft Liability.** If on any day, the available funds in your share draft account are not sufficient to cover drafts and other items posted to your account, those drafts and items will be handled in accordance with our overdraft procedures. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's processing deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds item. The Credit Union may charge an insufficient funds (NSF) fee for an item whether paid or returned as set forth in the Schedule of Fees. We may charge you an NSF fee each time an item is submitted to us for payment from your account when at the time of presentment your account does not have sufficient available funds or when we return, reverse, or decline to pay an item for any other reason authorized by the terms and conditions governing your account. Except as otherwise agreed to in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays an item that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any processing deadline limits.
- b. How Transactions are Posted to Your Account.** There are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits.** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check or draft, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.

**Debits.** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- i. **Drafts.** When you write a draft, it is processed through the Federal Reserve System. We receive data files of cashed drafts from the Federal Reserve each day. The drafts drawn on your account are compiled from these data files and paid each day. We process the payments in the order contained in the data file.

- ii. **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day.

- iii. **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.

- iv. **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

**c. Understanding Your Account Balance.** Your share draft account has two kinds of balances: the actual balance and the available balance.

- i. **Actual Balance** – Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect drafts you have written and are still outstanding or transactions that have been authorized but are still pending.
- ii. **Available Balance** – Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds, minimum balance requirements, or to comply with court orders.

We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance online banking, mobile banking (if available), at one of our ATMs, by visiting a Credit Union branch or by calling us at (212) 529-8197.

**d. Returned Item/Non-Sufficient Funds (NSF) Fees.** The Credit Union may return a check or debit transaction (e.g., ACH payments) submitted for payment against your checking or savings account if the amount of the check or debit exceeds the available balance in your checking or savings account. Each time we return a check or debit for insufficient funds, we will assess NSF fees in the amount shown on the Credit Union's current Schedule of Fees and Charges for each returned check or debit item. If the merchant that submitted the initial check or debit submits the same item again, after it is rejected the first time, then we may reject it again and charge another NSF fee resulting in another NSF fee for the same item.

**The Credit Union has no control over the number of times a merchant may resubmit the same check or debit transaction to us for payment and you will be charged multiple NSF fees in connection with a single check or debit transaction that has been returned for insufficient funds multiple times. There is no limit on the total NSF fees we can charge you for each item presented.**

- e. **Minimizing Fees.** The best way to know the amount of available balance you have and to avoid paying overdraft or returned item fees is to record and track all of your transactions closely, including pre-authorization commitments, outstanding checks, ACH debits, internet bill payments, online and mobile banking transfers, restrictions on deposits (or returned deposits) and any other items that may reduce your available balance.
18. **POSTDATED AND STALE DATED ITEMS.** You agree not to issue any draft that is postdated. If you do issue a draft that is payable on a future date and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts or other items before they are properly payable. We are not obligated to pay any draft drawn on your account that is presented more than six (6) months past its date.
19. **STOP PAYMENT ORDERS**
- a. **Stop Payment Request.** You may ask the Credit Union to stop payment on any draft drawn upon your share draft account. However, you may not stop payment on any certified check or draft, cashier's check or teller's check, or any other check, draft, or payment guaranteed by the Credit Union. You may request a stop payment by telephone, by mail, fax or in person. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, date, and number of the draft and its exact amount. To be binding, the order must be in writing, dated, signed, and must accurately describe the draft including the exact account number, draft number and the exact amount of the draft. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the draft to the Credit Union, and to assist the Credit Union in legal action taken against the person.
- b. **Duration of Order.** You may make an oral stop payment order, which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order will be effective for 6 months. A written stop payment order may be renewed in writing, but any such renewal shall be treated as a new request. The Credit Union is not obligated to notify you when a stop payment order expires.
- c. **Liability.** The Credit Union may charge a fee for each stop payment order requested, as set forth in the Schedule of Fees. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorneys' fees, damages, or claims related to the Credit Union's action in refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.
20. **LOST ITEMS.** The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items, should they become lost in the collection process.
21. **CREDIT UNION'S LIABILITY FOR ERRORS.** If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevent the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to a legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the

Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely on the form of the account and the terms of this Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

22. **CHECKS PRESENTED FOR PAYMENT IN PERSON.** We reserve the right to refuse any check, draft or instrument that is presented in person for deposit or payment at our sole discretion. You understand and agree that any such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment.
23. **REMOTELY CREATED CHECKS.** For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which drafts may be drawn. A remotely created draft is a draft created by someone other than the person on whose account the draft is drawn. A remotely created draft is generally created by a third party payee as authorized by the owner of the account on which the draft is drawn. Authorization is usually made over the telephone or through on-line communication. The owner of the account does not sign a remotely created draft. In place of the owner's signature, the remotely created draft usually bears a statement that the owner authorized the draft or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created draft against your account, you may not later revoke or change your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created draft for which the third party has proof of your authorization.
24. **CREDIT UNION LIEN AND SECURITY INTEREST.** Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. State law gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by applicable law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.
- Your pledge and our statutory lien rights will allow us to apply the funds in your account to what you owe when you are in default, except as limited by state or federal law.** If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. If we do not enforce our rights to apply funds in your account to your obligations that are in default, such decision to not enforce our rights does not affect our right to enforce these rights at a later time.
25. **LEGAL PROCESS.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. If the Credit Union incurs any expenses or attorneys' fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.
26. **ACCOUNT INFORMATION.** Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances, except as permitted by applicable law and this Agreement, subject to the requirements set forth in our privacy policy.
27. **NOTICES**
- a. **Your Name and Contact Information.** It is your responsibility to notify the Credit Union in the event of any: change in your mailing or physical address; change of your email address; change of your telephone number(s); or change of your name. We may require that updates to your name and contact information be provided in writing with your signature. The Credit Union is only required to attempt to communicate with you



only at the most recent address you have provided to the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth on the Schedule of Fees.

- b. **Notice of Amendments.** Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.
  - c. **Effect of Notice.** Any written notice you give the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. mail, postage prepaid, and addressed to you at your statement mailing address. For Joint accounts, notice provided to any one account owner is considered notice to all owners of the account. The Credit Union reserves the right to accept oral instructions, and you agree to hold the Credit Union harmless from any liability arising as a result of such instructions.
  - d. **Electronic Notices.** If you have agreed to receive notices electronically we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.
- 28. TAXPAYER IDENTIFICATION NUMBER (TIN) AND BACKUP WITHHOLDING.** If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay the Internal Revenue Service (IRS) a required percentage of payments of dividends, and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.

## 29. STATEMENTS

- a. **Contents.** If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided in connection with your account, you agree that only one statement is necessary for a Joint account. For share draft accounts, you understand that when a draft is paid, your original draft becomes property of the Credit Union. Copies will be retained by the Credit Union and made available upon your request and subject to the fee set forth in the Schedule of Fees.
  - b. **Examination.** You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if: (i) you fail to notify the Credit Union within thirty-three (33) days of the mailing date of the earliest statement and availability of drafts containing any forgery, alteration, or unauthorized signature on the item; or (ii) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.
  - c. **Notice to Credit Union.** You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statements and draft copies, or modify the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charge to your account unless you notify the Credit Union in writing within the time limit specified in the Examination section (see above) after the statement and drafts are made available to you. If you fail to receive a periodic statement, you agree to notify us with 14 days of the time you regularly receive a statement.
- 30. INACTIVE AND ABANDONED ACCOUNTS.** If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Truth-in-Savings Disclosure or Schedule of Fees, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements.

If a deposit or withdrawal has not been made on the account and we have had

no other sufficient contact with you within the period specified by applicable state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law in a process known as "escheatment." We shall have no liability if your account is deemed abandoned and is therefore subject to escheatment. Once funds have been turned over to the state ("escheated"), you understand that we shall have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

- 31. **TERMINATION OF ACCOUNT.** The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (a) there is a change in owners or authorized signers; (b) there has been a forgery or fraud reported or committed involving your account; (c) there is a dispute as to the ownership of the funds in the account; (d) any account drafts are lost or stolen; (e) there are excessive returned unpaid items not covered by an overdraft coverage plan; (f) any owner or authorized user causes the Credit Union to suffer a loss, or if there has been any misrepresentation or any other abuse of any of your accounts; or (g) we reasonably deem it necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a Joint account. Your account removal or termination will not affect your responsibility for any loan obligations or prior transactions. The Credit Union is not responsible for payment of any draft, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a draft or other item after termination, you agree to reimburse the Credit Union for payment.
- 32. **TERMINATION OF MEMBERSHIP AND SERVICES.** You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw or by withdrawing your minimum required membership share, if any. You may be expelled or denied services if there has been any misrepresentation or any other abuse on any of your other accounts or if you fail to comply with the Credit Union policies, procedures, or bylaws, conduct yourself in a threatening or abusive manner to Credit Union personnel, or willfully damage Credit Union property. You may be denied service or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union or violating any terms of membership. If you are expelled you may not be a joint account owner on another account.
- 33. **DEATH OF ACCOUNT OWNER.** The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the drafts and other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.
- 34. **UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES.** You agree that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful Internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful Internet gambling or other illegal activities.
- 35. **SPECIAL ACCOUNT INSTRUCTIONS.** You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by the appropriate form(s) as specifically designated by the Credit Union.
- 36. **SEVERABILITY.** In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.
- 37. **ENFORCEMENT.** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize

the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings legal action to enforce the Agreement or collect any overdrawn funds on accounts assessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorneys' fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

**38. NEGATIVE INFORMATION NOTICE.** We may report information about your loan, share or deposit accounts to credit bureaus or other consumer reporting agencies, as permitted by applicable law. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

**39. MONITORING AND RECORDING COMMUNICATIONS.** We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

**40. YOUR CONSENT TO RECEIVE CALLS.** You agree if you provide or have provided any telephone number, including a cell phone number, or email address on your Member Account Application, other Credit Union form, or

verbally, you are giving the Credit Union, its agents, employees, or third parties your consent to contact you at such telephone number(s) or email address(es) to discuss or communicate the status of your accounts or applications. You understand and agree that if we contact you at any telephone number or cell phone number you have provided, you agree that we may contact you whether these numbers are dialed manually or by means of an automatic telephone dialing system, or whether we use a pre-recorded message. You understand and agree that you are not required to consent to telephonic or email contact as a condition of purchasing any property, goods or service (including loans).

You may withdraw your consent at any time by contacting the credit union by phone, in person or any other reasonable means and informing us of your preferences.

If you have entered into a separate agreement with us with regard to receiving documents electronically, that separate document will control the delivery of all documents covered by such agreement.

**41. GOVERNING LAW.** This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, local clearinghouse rules as amended from time to time, and regulations of the state of New York. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union's main office is located.