

## ACCOUNT RULES AND REGULATIONS

Latino Community Credit Union (LCCU) offers you a wide variety of deposit account services. This Rules and Regulations document (this agreement) is a legally binding contract that covers your and our rights and responsibilities concerning all deposit accounts offered to you. This agreement is incorporated into the account signature form associated with each of your accounts. The classification and form of ownership of your accounts are designated on your account signature form. The account signature form, along with this incorporated agreement, and any changes we may later make to either of them, serves as our contract with you governing your deposit and share accounts.

By signing the account signature form or by establishing and using a deposit account of any type with the Credit Union, you are consenting to the terms of this agreement. You agree that additional accounts and services you request in the future will be governed by this agreement as amended from time to time. Read and retain this agreement so you can refer to it whenever you have a question about your account. Please visit [www.latinoccu.org](http://www.latinoccu.org) for the most up-to-date version of this agreement. You can also contact your local branch to request a copy. If you ever have any questions after reading this agreement, the Credit Union will be happy to answer them.

If we issue you a LCCU Visa<sup>®</sup>, Debit, CashPoints<sup>®</sup>, CashPoints Global or Health Savings (HSA) Card to access your account(s), your rights and responsibilities regarding your Card are described in the Supplemental Terms and Conditions for LCCU Visa<sup>®</sup> Debit, CashPoints<sup>®</sup>, CashPoints Global, and HSA Cards (the "Supplement"). The Supplement constitutes a part of this agreement.

**THIS AGREEMENT CONTAINS AN ARBITRATION PROVISION IN THE "ACCOUNT AGREEMENT AND RULES" SUBSECTION UNDER GENERAL PROVISIONS, WHICH GOVERNS HOW DISPUTES BETWEEN YOU AND US WILL BE RESOLVED IF A DISPUTE ARISES. YOU HAVE THE RIGHT TO OPT OUT OF THE ARBITRATION PROVISION BY NOTIFYING US WITHIN THE TIME PERIOD SPECIFIED IN THAT PROVISION.**

### MEMBER IDENTIFICATION NOTICE

**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 and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. We may also ask to see your identifying documents if you change your name or complete a transaction, such as a withdrawal.

### GENERAL PROVISIONS

**USE OF CERTAIN TERMS:** In this agreement, the words "you" and "your" mean those who sign the account signature form or anyone who has access to the account. The words "we", "us", and "our" mean Latino Community Credit Union, and its branches, divisions, or d.b.a. ("Credit Union"). The word "account" means any one or more accounts you have with the Credit Union. • "Item" includes all orders and instructions for the payment, transfer, or withdrawal of funds from your account; for example, a check, draft, image, substitute check, everyday non-recurring debit card transaction, recurring debit card transaction, ACH transaction, ATM transaction, preauthorized payment, automatic transfer, telephone-initiated transfer, online transfer including a BillPay transaction, withdrawal slip, and an in-person payment, transfer and withdrawal instruction. A previously presented debit or withdrawal is considered a new item if presented for payment again and therefore may be subject to additional fees as a new item. "Includes," "including," "include" or "for example" are used to introduce a list of some, but not all, situations or items that are covered by a particular provision. When we refer in this Agreement to "sufficient available funds," "available funds," "funds being available," or similar phrases, we mean the Available Balance plus any funds available to the account through your participation in our Overdraft Transfer Service. "Business days" are Mondays through Fridays except LCCU holidays.

**GOVERNING LAW:** This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, except that the Arbitration Provision is governed by the Federal Arbitration Act.

**EFFECT OF STATE AND FEDERAL LAWS AND REGULATIONS:** Our account relationship with you is governed primarily by this agreement; but it is also governed by the laws and regulations of the State of North Carolina and the United States of America. If any terms of this agreement come into conflict with applicable law, those terms will be nullified to the extent they are inconsistent with the law, and the law will govern. If any provision of this agreement is declared to be invalid or unenforceable, that part will not affect the validity of the other provisions.

**AMENDING THIS AGREEMENT:** We reserve the right to amend the terms of this agreement at any time. If we amend the agreement, we will notify you as required by law. When we amend the agreement, the amended version supersedes all previous versions and governs your account. If you do not agree with an amendment, you may close your account. Your continued use of the account after the effective date of any amendment will constitute your acceptance of the amendment. Any attempt to amend this agreement by striking through, adding language, or making any other written changes is void.

**COMMUNICATIONS ARE PROVIDED IN ENGLISH:** "Communications" refers to any written or verbal agreements, disclosures, messages, statements, applications, documents, policies, forms, notices, records, instructions, or other information that we provide you or that you sign, complete, agree to or submit to us at our request. We provide official versions of our Communications in English; however, as a service to our members and where possible, we may attempt to assist members who have limited English proficiency, including by making available Communications translated into another language. If there are any discrepancies between the official English version and a version translated into another language, the English version will prevail. Therefore, if you are not fluent in English, you should consider obtaining the services of an interpreter or taking other steps to ensure you understand any Communications, including this Agreement, provided to you in English.

**CHANGES TO YOUR ACCOUNT:** If you ask us to make a change to your account, and we agree, the change will not be effective until we receive a properly completed request and process it.

**LCCU WAIVER:** We reserve the right to waive the enforcement of any of the terms of this agreement with respect to any transaction or series of transactions with you. However, any such waiver will not affect our ability to enforce any of our rights with respect to other members, or to enforce any of our rights with respect to later transactions with you, and is not sufficient to modify the terms and conditions of this agreement.

**YOUR WAIVER:** You agree to waive any notice of nonpayment, dishonor or protest regarding any items credited to or charged against your account. For example, if a check you deposited or we cashed for you is dishonored and returned to us, we are not required to notify you of the dishonor.

**CALLS AND MESSAGES TO YOUR TELEPHONE OR MOBILE DEVICE:** You agree that we may monitor and/or record calls with you for any reason. You also agree that we do not need to remind you of this before any conversation. When you give us your phone number (including cell phone number), or call us, you authorize us to place telephone calls or send text messages to you at that number, including through the use of automatic dialers and artificial, prerecorded and text messages, in order to service your accounts or collect amounts you owe. When you give us your phone number or call us, you agree and expressly consent in advance to these terms and conditions.

**EFFECT OF INTERNAL GUIDELINES:** Our internal policies and procedures are only for our own purposes and do not impose a higher standard of care than otherwise would apply by the law that governs your account.

This agreement includes the following sections:

- **Account Agreement and Rules** – This section describes the terms and conditions which govern the use of your account.
- **Truth-in-Savings Disclosure** – The Credit Union is committed to providing you a complete list of the terms and features for LCCU depository accounts. This list is included in the "Truth-In-Savings Disclosure" section.
- **Funds Availability** – Deposits made to an LCCU account may not be available immediately. The availability of some deposits may be delayed because of a non-LCCU check, non-sufficient funds or other circumstances. The "Funds Availability" section discloses LCCU's policy and rules for handling deposits.
- **Substitute Check Policy Disclosure** – This is a brief description of the Credit Union's implementation of the "Check 21" substitute check policy and how it impacts you.
- **Electronic Funds Transfer Agreement** – This section describes the rights, liabilities and obligations for electronic funds transfers, such as by an LCCU debit card, through an electronic device (such as a telephone or computer) or converted from a paper item for the purpose of authorizing us to debit or credit your account by using your card or making any other type of electronic funds transfer.
- **Right To Receive Documentation** – This section describes how and when you can get information about your accounts, as well as error resolution.

### ACCOUNT AGREEMENT AND RULES

In consideration for opening a depository account of any type at Latino Community Credit Union (the Credit Union), 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, the Supplemental Terms and Conditions for LCCU Visa<sup>®</sup> Debit, CashPoints<sup>®</sup>, CashPoints Global and Health Savings Account (HSA) Cards and/or other agreements and disclosures, all of which, to the extent applicable, are incorporated into this agreement by reference. The following applies to accounts at the Credit Union. The depositor agrees as follows, and the Credit Union accepts business on such conditions only.

- 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. You authorize us to check your account, credit, and employment history and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.
- 2. ACCOUNT OWNERSHIP.** You select the account ownership type for your account. The type of account ownership is designated on the account signature form associated with your account. LCCU is not responsible for informing you how the different account ownership types may affect your legal interests.
- 3. INDIVIDUAL ACCOUNTS.** An individual account is an account owned by one depositor, including any individual, corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or payable on death (POD) beneficiary, if applicable.
- 4. JOINT ACCOUNTS.** An account owned by two or more persons is a joint account. All joint accounts are governed by North Carolina General Statute 54-109.58. All joint accounts shall be held by the owners as co-owners with the right of survivorship, regardless of which owner deposited the funds or whose money was deposited.
- 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. Each joint owner appoints each of the other joint owners as his or her agent to deposit, withdraw and conduct any business on the joint account, including pledging the account. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all available funds in the account by any means LCCU makes available, including closing the account, placing or removing stop payment on items drawn on an account, withdraw, or pledging all or any part of the funds of any account, designating the account as overdraft protection or, for STCs, changing the renewal option or the account into which interest or principal upon maturity is paid, including funds representing a membership share, all without the knowledge, consent, or joinder of the any other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). Any joint owner may appoint an agent under a power of attorney, and add the agent to the account, but we reserve the right to require the consent of all joint owners. 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 transaction, 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 checks or access devices from any joint owner removed from the account. Each joint owner authorizes LCCU to exercise setoff and enforce its lien on the entire joint account, even if only one, or less than all, of the joint owners is the debtor; these rights exist irrespective of who contributes funds to the joint account. (See the Statutory Lien; Right of Setoff; 10 11 Security Interest section.) LCCU is not bound by the knowledge of, and has no duty to inquire as to, the source of funds deposited into the joint account. Each joint owner shall have an equal and undivided interest in the entire account regardless of the source of funds. LCCU may provide information about the account, including statements and other records documenting the prior history of the account, to any joint owner. Notice provided by LCCU to any one joint owner is notice to all joint owners.
- c. Rights of Survivorship.** Upon the death of one joint owner, the funds remaining in the account belong to the surviving joint owners and will not pass to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will. However, upon the death of one joint owner, funds in the account may be subject to the personal representative of the deceased owner's right of collection.
- d. Removal of a Joint Owner:** Joint owners may voluntarily remove themselves from a joint account, at any time, without the authorization of the remaining owners by completing an addendum to the account signature form. You agree that the signatures of the remaining owners are not required in order to remove a joint owner and that the addendum shall validly amend the account signature form, but only to the extent necessary to remove the owner's interest in the account. After a voluntary removal, the account continues in the names of the remaining owners, who will be notified of the change in ownership. The removing owner relinquishes his or her rights to the account, including the right of survivorship, and will no longer be authorized to make withdrawals, initiate debit transactions, write checks, or obtain information about future activity on the account. The removing owner will remain liable for any debts incurred and checks or debits authorized during the period in which he or she was a joint owner on the account. If the account has been pledged to secure a loan made to or guaranteed by the removing owner, the removing owner's relinquishment of rights will not release the account as collateral or affect the pledge in any manner. When joint owners voluntarily remove themselves from an account, remaining owners should review and update the statement address, overdraft protection, interest maturity accounts for STCs and Holiday Cash Club accounts, BillPay records, funds transfers and payroll deductions, as applicable. If, for any reason, an account signature form with co-owners fails to create a statutory joint account with right of survivorship, you agree that the account shall be held as a joint account with right of survivorship under contract and common law and shall have the characteristics described in this section.
- e. Rights of Joint Business Account Owners.** Any joint business 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. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the shares 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). 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.
- f. Joint Business Account Owner Liability.** If any item deposited in a joint business account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple business 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, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. 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.
- 5. PAYABLE ON DEATH (POD).** Payable on Death (POD) accounts are governed by North Carolina General Statute 54-109.57A. 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) during his, her or their lifetimes and, when the last account owner dies, payable to all and surviving POD or trust beneficiaries/payees. POD accounts may have multiple owners and multiple beneficiaries. If there are two or more owners, the owners shall own the account as joint tenants with right of survivorship. Owners may change the beneficiaries any time by completing a new account signature form and returning that form to LCCU. Upon the death of the last surviving owner, the money remaining in the account belongs to the beneficiaries and does not pass to the heirs of the deceased owners and is not controlled by a will. Distribution to beneficiaries, however, is subject to our review of documentation establishing the death of the account owner and the identity of the beneficiaries. If there are multiple beneficiaries, we will close the resulting joint account with right of survivorship and distribute the funds in equal shares to the beneficiaries then living. If, for any reason, an account signature form designating one or more POD beneficiaries fails to create a statutory POD account, you agree that the account shall be held as a POD account under contract and common law and shall have the characteristics described in this section. 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. This paragraph does not apply to an account held on behalf of or held in the name of a trust.
- 6. ACCOUNTS FOR MINORS.** For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have his or her Social Security Number (SSN) or Tax Identification Number (TIN) and to have a parental 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. 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. The minor account owner's Social Security Number (SSN) or Tax Identification Number (TIN) must be shown on the account. Youth share and checking accounts transition into Share and Dividend checking accounts when the primary owner reaches 20 years of age. Any fees, rates, or other account terms applicable to Share and Dividend checking accounts will apply.
- 7. UNIFORM TRANSFERS TO MINORS ACCOUNT.** Uniform Transfers to Minors Act (UTMA) accounts are governed by the provisions of the North Carolina Uniform Transfers to Minors Act, Chapter 33A of the North Carolina General Statutes. Transfers to minors under the UTMA are irrevocable gifts to the minors. The account signature form designates a custodian who will have the authority to make withdrawals, obtain information, and otherwise manage the account. The custodian does not have any ownership rights or interests in the account. The custodian may also designate a successor custodian who may act in the event the custodian dies, resigns, or becomes incapacitated. We may limit certain withdrawals and transfers from UTMA accounts. For example, the custodian may not be able to complete point of sale debits or ATM withdrawals. 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 custodian must notify us in writing immediately upon the occurrence of any of the following events: the death of the minor; the termination of the custodianship; the appointment of a successor custodian; or if the custodian's authority has otherwise been terminated. Before we receive such notice, we may honor any checks or other items drawn on the account without incurring any liability to the minor or any third party. The custodian will be liable to us for any loss or expense we incur because of the custodian's failure to provide prompt notice.
- 8. AGENCY DESIGNATION.** Personal agency accounts are governed by North Carolina General Statute 54-109.63. 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. If an owner of the account becomes incapacitated or mentally incompetent, you agree that the agent will have the authority to continue acting on behalf of the owners. The personal agent's authority ends upon the death of the last owner and the money remaining in the account will either be released to POD beneficiaries or controlled by the will or inherited by the heirs of the last account owner to die.
- 9. BUSINESS, ORGANIZATIONAL, PARTNERSHIP OR CORPORATION ACCOUNTS.** If your Account is a business, organizational, nonprofit, partnership or corporate account, you will supply us with a separate authorization informing us of the authorized signers for the Account and provide any other related documents if we request you to do so.

**10. POWERS OF ATTORNEY.** We may accept a power of attorney document which allows an agent (also known as an attorney-in-fact) to act on your behalf. Prior to allowing an agent named in a power of attorney to act on your behalf, we may ask for a copy of the document and ask your agent to complete an affidavit stating that the power of attorney document is currently valid, the powers granted can be exercised by the agent, and the agent is not aware of any circumstances, such as revocation, that would cause the power of attorney document to be ineffective. We may continue to recognize the authority of your agent until we receive notice of your death or written notice of revocation of the agent's authority or of the revocation of the power of attorney document, and we have had a reasonable time to act on the notice.

**11. TRUST ACCOUNTS.** LCCU may accept accounts titled in the name of a revocable living trust or an irrevocable trust. We accept no responsibility for determining whether a grantor or trustee is qualified to act or has been duly appointed to act in that capacity, or whether any transaction involving the account is in accordance with or authorized by applicable law or the trust agreement. LCCU acts only as the depository for the funds. However, we reserve the right to request a copy of a certification of trust or the trust agreement if there are questions regarding authority to access the funds.

**12. OTHER FIDUCIARY ACCOUNTS.** LCCU may also offer guardianship accounts and estate accounts (including Receipt and Agreement accounts), VA Federal Fiduciary accounts and Social Security Administration Representative Payee accounts. To open these accounts, you must provide documentation of your appointment as the fiduciary from the appropriate authority. We may limit certain withdrawals and transfers from VA Federal Fiduciary accounts, Social Security Administration Representative Payee accounts and guardianship accounts. For example, you may not be able to complete point of sale debits or ATM withdrawals.

**13. AGENCY RELATIONSHIPS.** Any individual who wishes to act as your agent, guardian, conservator, personal representative, trustee, custodian, or in some other fiduciary capacity (each, an agent) generally must provide adequate supporting documentation and be designated as such on the account signature form. Notwithstanding the preceding sentence, if you give an individual authority to view or transact on your account, such as by providing the individual with your account information, card, and/or security credentials such as a PIN, username or password, or direct us to grant account access to the person, we may, in our sole discretion, elect to treat such person as an agent with respect to the account, even if the agent's name is not designated on the account. We may pay funds in your account to or upon the order of your agent. We are authorized to follow the directions of your agents regarding the account without liability to you until we receive written notice that the agency relationship has been terminated and we have had a reasonable time to act upon the notice. You will be responsible for all acts of your agent, even if your agent acts contrary to your specific instructions or your best interest or exceeds his or her authority. We have no duty to monitor your accounts and we will not be responsible for any breach of fiduciary duty or the misapplication of funds from your account by your agent or fiduciary. You or your agent must immediately notify us when his or her authority has ended.

**14. DEPOSIT REQUIREMENTS.** You may make deposits in person, by mail or by any other method we make available, including CashPoints ATMs. We will not be responsible for deposits made by or through a depository not staffed by our personnel until we actually receive the deposits. We may, at our discretion, refuse any deposits. 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 the terms and disclosures on your certificate account receipt for each account, which is incorporated herein by this reference.

**a. Endorsements.** If you fail to endorse an item that you submit for deposit, we have the right, but are not obligated, to supply a stamped endorsement. We may, at our discretion, require that certain checks, including government checks or insurance company checks, be personally endorsed by each payee. You agree to reimburse LCCU for any loss or expense we incur because you fail to endorse an item exactly as it is drawn.

**b. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required," "void after 60 days" or "not valid over \$500." We are not liable for payment of any check or draft 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.

**c. 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.

**d. 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 to your accounts 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 deposits of 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. This right is in addition to any other rights LCCU has under this agreement and at law, including its right of setoff and lien.

**e. Crediting of Deposits.** Deposits made on weekends and Credit Union holidays will be credited to your account on the next business day. Deposits received at un-staffed facilities such as night depositories and automated teller machines (ATMs) will be credited on the day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. 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.

**f. Subsequent Verification of Deposits:** All deposits are subject to our subsequent verification and adjustment, even if you have already withdrawn all or part of the deposit. Even though we provide you a receipt or acknowledgement, deposits are still subject to subsequent verification and adjustment.

**g. Return of Direct Deposits:** If, for any reason, we are required to reimburse the federal or state government or any other depositor for all or any portion of any payment deposited into your account through a direct deposit plan, you agree that we may, without prior notice to you, deduct the amount returned from your account or from any other account you have with LCCU, unless the deduction is prohibited by law. This right is in addition to any other rights LCCU has under this agreement and at law, including its right of setoff and lien.

**h. 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. Special instructions for handling an item are effective only if we accept them in writing at the time we receive the item in question. 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. Delivery to LCCU of items for deposit, collection, credit or payment will constitute your acceptance of these conditions. The Credit Union reserves the right to send any item for collection.

**i. Returned Items:** If we cash an item or deposit it into your account and, upon presentment to the obligated party, the item is not paid for any reason (or we believe it will be returned unpaid), it may be charged back against your account (or any other account you have with us), even if the item is not returned within any applicable deadlines. We can also charge back any item drawn on us if, within the normal handling period for such item, it cannot be honored against the drawer's account. If an item is returned to us after it was deposited or cashed because someone made a claim that the item was altered, forged, unauthorized or should not have been paid for some other reason, we reserve the right to either charge back the amount of such item to your account or hold the amount of such item in your account until a final determination as to the validity of that claim has been made. We may also charge back an item or hold the amount of an item if there is a problem which, in our judgment, justifies a reversal of credit. We are authorized to pursue collection of previously dishonored items, and in so doing may permit the payor financial institution to hold an item beyond the normal deadline to pay or return an item.

**j. Processing of Items:** Items may be sent directly to the financial institution upon which they are drawn or at which they are payable, or they may be sent through collecting agents for collection and remittance.

**k. Mobile Check Deposit:** We offer our Mobile Check Deposit (MCD) service to eligible members who have enrolled in our Online Services and loaded our Mobile App on their mobile device. If an image of an item you transmit through MCD is submitted and received by us on a business day before 5:30 p.m., we consider the deposit as being made on that date – the "deposit date." For deposits made after 5:30 p.m. or on a nonbusiness day, the deposit date will be the next business day. Funds deposited through MCD will generally be made available the following business day after the deposit date; however, in our sole discretion, we may make funds available sooner or delay availability for a longer period of time under certain circumstances. Deposits made through MCD are governed by our Online Services Agreement, which is incorporated herein by reference. Our Online Services Agreement is available on our website. Deposits made through MCD are not subject to the requirements of federal Regulation CC.

## 15. ACCOUNT ACCESS

**a. Authorized Signature.** Your signature on the signature form 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 are under no obligation to honor any power of attorney. 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 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.

**16. ACH AND WIRE TRANSFERS.** Automated Clearing House (ACH) entries are debits or credits to your account which are transmitted through the ACH system. All ACH entries are subject to the Operating Rules and Guidelines of the National Automated Clearing House Association (NACHA Rules). As the originator or receiver of an ACH entry, you are bound by the NACHA Rules. We may execute certain requests for electronic funds transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. Wire transfers are subject to Article 4A of the North Carolina Uniform Commercial Code and any rules in effect at the time of the transfer governing the use of the system(s) through which funds are transmitted. However, wire or other fund transfers sent outside the United States that are initiated primarily for personal, family or household purposes (called Remittance Transfers) are governed by federal law, and not this section; your rights regarding Remittance Transfers will be disclosed to you in connection with each Remittance Transfer transaction that you make. Wire transfers are also governed by the Wire Transfer Form, which is provided when you make a wire transfer and is available upon request.

You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds 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. Under the NACHA Rules, 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 statements we provide to you. You may contact us to determine whether a payment has been received. 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. The credit union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number 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.

**Provisional Payment:** Credit given by LCCU to you with respect to an ACH credit entry or a Wire Transfer is provisional until we receive final settlement for such entry. 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 the amount of such entry.

**17. OTHER ELECTRONIC TRANSFERS.** You may use your card, code, PIN or third-party software application ("app") to complete certain electronic transactions that may not be covered by federal consumer protection regulations (Regulation E or Regulation Z) concerning liability for unauthorized electronic transactions and required error resolution procedures. These transactions include:

- Peer-to-Peer (P2P) payments (not covered under Regulations E or Z); and
- Some mobile payments made via a mobile wallet. (once funds are loaded onto a third-party app, transfers from the app are not covered under Regulations E or Z).

## 18. ELECTRONIC CHECK TRANSACTIONS

**a. Electronic Checks.** If you authorize a merchant to electronically debit your checking account using the routing, account, and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer (EFT) subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account.

**b. Electronic Re-presented Checks.** If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of the Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, 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 check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive a proper notice of affidavit from you within the 15-day period, we will re-credit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures for stopping payment of checks, 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 check or a copy of the paper check, 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.

**19. 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 Fee Schedule. 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 Fee Schedule has changes from time to time and you will be notified of such changes as required by law.

## 20. ACCOUNT BALANCE AND POSTING ORDER

**a. Account Balance:** One or more of the following account balances is available to you for review online, by calling 1-866-873-5228, or by visiting your local branch. Current Balance information is available via ATM:

- Beginning Balance/Ending Balance: The balance in your account after nightly processing.
- Current Balance: The Beginning Balance, plus or minus items in activity that have not yet posted ("Activity Today"). This balance does not include funds in any overdraft transfer accounts. Items in Activity Today include transactions that we have received but have not yet posted to your account. The Current Balance does not include items such as scheduled BillPay transactions and checks that you have written but that have not yet cleared your account. If you check your balance using a CashPoints ATM, the Current Balance will be displayed.
- Available Balance: The Current Balance, minus any "monetary holds" or "deposits pending". The available balance does not include funds in any overdraft accounts. For share, Youth savings, Children's savings, IRA or SEP IRA accounts where a minimum balance must be maintained, the Available Balance includes this required minimum balance amount; however, this balance amount cannot be transferred to another account for any purpose.
- Overdraft Transfer Balance: The sum of the Available Balance(s) in the protecting account(s), less any funds not available for transfer from the protecting account(s).

\*\*"Deposits pending" are funds from checks deposited at CashPoints ATMs which that are not yet available subject to LCCU's automatic one-day hold. Monetary holds are funds in your accounts placed on hold for any other reason.

The Credit Union uses your Available Balance plus your Overdraft Transfer Balance when we determine if you have enough funds available to pay items or authorize transactions. Your Available Balance may not reflect every transaction or the final amount of every transaction you have initiated or authorized. For example, your Available Balance may not include the final settlement amounts for debit card transactions when a merchant delays sending us the final settlement, a merchant requests authorization before you leave a tip, or the final amount is not yet known when the merchant requests authorization for a purchase.

**b. Posting.** The Credit Union posts credit and debit items to your account during nightly processing on days we are open for business. For purposes of this section, items include fees. Credits increase your account balance and debits decrease your account balance. The order items post to your account differs from the order in which the transactions occur or we receive them. The order in which items are posted may affect the total number of NSF items you incur if you have insufficient funds to cover all items. We reserve the right to process and post items to your account in any order at our discretion, and we may change the order or categories, including items within a category, at any time without notice to you; however, we generally post items to your account in the order described below: We post deposits and other credits to your account first. After we post all deposits and other credits to your account, we post debits. We post debits in order according to categories. Within each category, we post debits from the lowest amount to the highest amount. We post all transactions for each category before posting transactions in the next category. We post debits from your account in the following order:

1. **Authorized Debits:** Authorized debits are items that we are obligated to pay because we provided authorization at the time you initiated the transaction. Prior to posting, authorized debits will be included in your account's Activity Today and will affect your Available Balance because they are authorized at the time of the transaction. We later receive and post the final transaction, and the final amount posted may differ from the authorized amount appearing in Activity Today. The authorized debits category also includes certain account fees.
  - Examples of authorized debits include ATM withdrawals, transactions initiated with your debit card, on-us checks cashed in a branch or at an ATM, withdrawals performed in a branch, and automatic funds transfers such as loan or credit card payments.
  - The authorized debits category also includes the following authorized account fees: BillPay Service Fees, Wire Service Fees, ATM Usage Fees, Card Reissue Fees, International Transaction Fees, Verification of Deposit Fees, Copy Request Fees, Stop Payment Fees, and Returned Check Fees. NSF Fees for items that attempted but failed to clear the previous business day are also included in this category.

2. **ACH Debits:** ACH debits are debits to your account which are transmitted through the ACH system. We also post check order expenses in this category.
3. **Safe Deposit Box Rent:** Safe deposit box rent is drafted each year on the last business day in October.
4. **Checks and Paper Drafts:** Checks and other drafts you have written or authorized from your account.
5. **Other Fees:** We debit Overdraft Transfer Service Fees and LCCU's monthly maintenance fee on checking and CPG accounts. We debit Overdraft Transfer Service Fees even if there are insufficient available funds in your account; therefore, Overdraft Transfer Service Fees can cause your account to have a negative balance.

**c. Negative Balance.** If your account has a negative balance for any reason, you agree to pay the amount of the negative balance without notice or demand from us. You also agree to reimburse us for any costs we incur in collecting the amount of any negative balance, including reasonable attorneys' fees and the costs of litigation. For joint accounts, each owner agrees that all of the owners are jointly and severally liable for all negative balances. Each owner also agrees that we may debit funds from any other account held by each owner to repay any negative balance. Account services may be restricted and your account may be closed due to account mismanagement causing excessive negative balances.

## 21. 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 Fee Schedule. 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 refuse any check or other item or withdrawal request if it is not made in a manner specifically authorized for your type of account. The Credit Union may also refuse to allow a withdrawal in other cases, for example, any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or 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 checking accounts) of no less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

The Credit Union may require you to withdraw funds from your account upon notice. We utilize automated collection and processing procedures which rely primarily on information encoded onto each item, whether or not that information is consistent with other information on the item. You agree that LCCU does not fail to exercise ordinary care in paying an item solely because our automated procedures do not provide for sight-review.

**b. Transfer Limitations.** For Savings, Youth Savings, Money Market, and IRA Savings 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 (checks 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.

**22. OVERDRAFTS.** LCCU offers the transfer of available funds from existing deposit and share accounts, lines of credit and credit card accounts in order to prevent your checking account from incurring NSF fees or becoming overdrawn. Each account you link to your checking account is called a protecting account. You may make this election in writing when opening a checking account or at any other time during the life of the account.

**a. Overdraft Transfer Fees.** Each overdraft transfer is subject to an Overdraft Transfer Fee. Information about this fee is set forth in the included Fee Schedule. No Overdraft Transfer Service Fees are assessed the first two days of a calendar year in which Overdraft Transfer Fees would otherwise be incurred on an account.

**b. Incremental Transfers.** Overdraft transfers are made in increments of \$50 or \$500, depending on the type of protecting account. Funds will be transferred to the checking account in \$50 increments from share and deposit accounts, credit cards and personal lines of credit. Funds will be transferred to the checking account in \$500 increments from home equity lines of credit. Overdraft transfers occur in whole dollar amounts. If the amount available in the designated protecting account for overdraft transfer is less than the incremental amount, all funds available in the account, rounded to the next highest dollar amount, will be transferred if these funds are sufficient to cover any item posting to the checking account. While the first \$10 of a share account balance is included in your displayed Available Balance, it is not available for overdraft transfer.

**c. Credit Cards and Lines of Credit.** Overdraft transfers from credit cards, personal lines of credit and home equity lines of credit are loan advances, and may be made up to the amount of the available ceiling/credit limit, less any outstanding principal balance. The available amount for overdraft transfer is as follows:

- For open-end signature loans and home equity lines of credit, 100% of the unused line of credit plus \$200, and
- For credit cards, the unused line of credit plus 10% of the credit limit

Transfers from these types of protecting accounts are subject to the terms of the applicable credit agreements. Overdraft transfers from credit cards are cash advances; interest accrues from the date of the transfer and is charged at the applicable interest rate under the cardholder agreement.

**d. Multiple Protecting Accounts.** You may designate up to two protecting accounts for each checking account. You may select the order in which the protecting accounts are accessed for overdraft protection.

**e. Overdraft Liability.** LCCU determines whether sufficient funds are available to pay an item after the item is received by LCCU and before LCCU's return deadline. Only one determination of the account balance is required. We may assess a non-sufficient funds (NSF) fee each time an item is presented for payment against your checking accounts and sufficient funds are not available to cover the item. You should be aware that merchants and payees can present an item multiple times for payment if the initial or subsequent presentation is returned due to insufficient funds or for other reasons. We consider each presentation of an item a new item for purposes of assessing an NSF fee. For example, if you write a check to the grocery store and your checking account lacks sufficient available funds to pay the item when the grocery store presents it for payment, we will return it and assess an NSF fee. If the grocery store presents the check for payment again a few days later, and your checking account still lacks sufficient available funds to pay it, we will return it and assess another NSF fee.

Your Available Balance is subject to LCCU's Funds Availability Policy and the order in which we process and post items. If our determination reveals that sufficient funds are not available to pay an item, LCCU will not be required to pay the item and may return it and assess an NSF fee. We do not distinguish between available and unavailable funds in the Beginning/Ending Balance that is displayed on your account statements and online, so it may appear that you had enough funds to cover an item that was returned and for which you were charged an NSF fee. You may obtain your Available Balance online, by calling 1-866-873-5228, or by visiting your local branch and requesting your Available Balance. If you have opted into our Overdraft Transfer Service, LCCU will transfer any funds available for transfer from the designated protecting account(s) in order to help prevent the protected checking account from incurring NSF fees or becoming overdrawn. See the "Overdraft Transfer Service" section. LCCU is not required to send you notice of items returned for non-sufficient funds. As the account owner, you are responsible for keeping track of your account balance to ensure that you have sufficient funds available to pay any item you authorize. LCCU may restrict account services or close your account if your account incurs excessive NSF fees or returned items. As a service to our members, NSF fees will not be assessed on an account the first two days of a calendar year in which NSF fees would otherwise be incurred.

**f. Order of Payments.** The order in which we post items can affect the total number of NSF and overdraft transfer fees you incur. During nightly processing on LCCU business days, we post items received since the previous business day's cut off time. For example, items received on a Tuesday after cut off time, and items received on Wednesday up until cut off time, post during Wednesday night processing. Different posting timeframes may apply depending on the effective date of the item. Items often post in a different order than they were authorized. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. Please refer to the Account Balance and Posting Order section for more information about the posting order of items.

**23. POSTDATED AND STALE DATED ITEMS.** You agree not to issue any check or draft that is postdated. If you do issue a check or 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 check or draft drawn on your account that is presented more than six (6) months past its date.

## 24. STOP PAYMENT ORDERS

**a. Stop Payment Request.** You may ask the Credit Union to stop payment on any check drawn upon your checking account. You may request a stop payment by telephone, by mail, fax or in person. If the account is a joint account, any joint owner can stop payment of any check drawn on the account. 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 check and its exact amount. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on a check. 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 check.

**b. Duration of Order.** Stop payment orders on checks remain in effect for 12 months. We may pay a check once the stop payment order expires. In order for the stop payment to continue for another 12 months, you must complete a new stop payment order. If you want the stop payment order to expire in less than 12 months, you may provide us written notice requesting to cancel the stop payment order. The cancellation request will not be effective until we receive the request and have a reasonable opportunity to act on it. 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 Fee Schedule. 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 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 attorney fees, damages, or claims related to the Credit Union's action in refusing payment of an check, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an check as a result of incorrect information provided by you.

**25. 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.

**26. CASHIER'S CHECKS.** The Credit Union may issue cashier's checks payable to you or a third party at your direction. Because cashier's checks are guaranteed funds, you may not cancel or put a stop payment on a cashier's check once it is issued. However, if the check becomes lost, stolen or destroyed, we may replace the check according to the following procedures, subject to applicable law. If you are the remitter or payee on a cashier's check that we issued which has been lost, stolen or destroyed, you can make a claim with us for reissuance of the check. We may require you to sign a declaration of loss and indemnification agreement. We may delay reissuing the check for a period of time as permitted by law. There are some instances where we are legally required to pay a cashier's check that was reported lost, stolen or destroyed even though a claim was made and we reissued the check. If we reissue a cashier's check to you, and the original cashier's check is presented for payment under circumstances where we are legally required to pay it, you agree to immediately pay us the amount of the reissued check.

**27. 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 prevented 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.

**28. CHECKS PRESENTED FOR PAYMENT IN PERSON.** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment.

**29. REMOTELY CREATED CHECKS.** For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks (share drafts) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke 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 check for which the third party has proof of your authorization.

### **30. CREDIT UNION LIEN AND SECURITY INTEREST.**

**a. Statutory Lien.** When you open an account, you grant LCCU a statutory lien on the shares, deposits and accumulated dividends or interest in your jointly and individually owned accounts to the extent of any amounts owed to LCCU at any time. If you fail to satisfy a financial obligation due and payable to LCCU, we may enforce the statutory lien without further notice to you, except where prohibited by 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.

**b. Right of Setoff.** We may, without prior notice, setoff all the shares, deposits and accumulated dividends or interest in your jointly and individually owned accounts, against any due and payable amount you owe us now or in the future, except where prohibited by law.

**c. Security Interest.** 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, you assign, pledge and grant LCCU a security interest in all shares and deposits, and earnings on shares and deposits, which you now have or may have in the future, at LCCU as security for any indebtedness now owing or arising with LCCU in the future, except where prohibited by law and indebtedness which is itself secured by your residential real estate

We may exercise or enforce our statutory lien, right of setoff, or security interest against any account at any time, and each shall survive the death of the account holder. We will not, however, exercise or enforce our statutory lien, right of setoff or security interest where prohibited by applicable law (including the Military Lending Act). 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. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

**31. HOLDING FUNDS IN YOUR ACCOUNT.** We reserve the right to place a hold on funds in your account and/or to prevent any deposits from being made to your account, for a reasonable period of time, at our discretion, when:

- we have a right of setoff or may enforce our lien
- we comply with a court order or other legal process
- we have been notified, or we reasonably believe, there exists a legitimate dispute among any parties who have or claim an interest in your account
- we in good faith believe we have a claim against you or the funds in your account
- something has occurred or is reasonably expected to occur that may result in our having a claim against you or the funds in your account

**32. DISPUTES INVOLVING YOUR ACCOUNT.** If we have been notified of, or we reasonably believe, there exists a legitimate dispute among any parties who have or claim an interest in your account, we may, at our discretion:

- continue to rely on the account signature forms and other account documents in our possession
- pay the funds to an appropriate court of law or equity for resolution
- honor the competing claim upon receipt of evidence we deem satisfactory to justify such claim
- close the account and pay the proceeds to all who have or claim an interest in the account or the account owner(s) as indicated in our records

You, your estate, and your successors-in-interest agree to indemnify and hold LCCU harmless from and against all claims, actions, costs and liabilities arising out of or relating to actions taken in opening and maintaining your account, making distributions upon notice of the death of the last surviving account holder pursuant to the terms of this agreement and any conflicting designations of the funds in your account by will, revocable living trust or any other instrument.

**33. LIMITATION OF LIABILITY/INDEMNIFICATION.** LCCU serves only as a depository for the funds in your account, and we do not owe you a fiduciary duty with respect to your account unless we explicitly agree otherwise in writing. Our responsibility to you and to your account is limited to the exercise of ordinary care as established by the reasonable commercial standards for financial institutions. We will not be liable to you for any claim, loss, cost, or damage caused by events or circumstances beyond our reasonable control, even if they were foreseeable, including extreme weather, natural disasters, fire, floods, pandemics, measures of any governmental authority, civil disorder, labor strikes, and terrorism or threats of terrorism, as well as loss of electrical power, the breakdown or failure of any private or common carrier communication or transmission facilities, or suspensions of payments by another financial institution. In particular, LCCU is not liable to you if such an event or circumstances prevent us from, or delay us in, performing our obligations for a service, including acting on a payment order, crediting a fund transfer to your account, processing a transaction or crediting your account. Our liability to you for any act or failure to act shall not exceed any direct resulting loss, if any, which you incur, and payment of any interest or dividends. In any case, we will not be liable for any special, incidental, exemplary, punitive or consequential losses or damages of any kind, regardless of whether you informed us of the possibility of such damages, unless required by law.

You agree to reimburse LCCU for all claims, costs, losses, and damages we may incur, including reasonable attorneys' fees, in connection with your account, except to the extent caused by our failure to exercise ordinary care. Your liability will be joint and several. We may charge any of your accounts with us for any such losses, liabilities or expenses without prior notice to you. With respect to your act, omission, negligence or fault, and specifically in connection with overdrafts or returned deposits to your account, you agree to reimburse LCCU for all claims, costs, losses and damages, including fees paid for collection. Nothing in this agreement shall be construed to limit any rights or defenses available to us, or any warranty, indemnity or liability imposed on you, under applicable state or federal laws or regulations or any separate agreements applicable to your accounts.

**34. ARBITRATION. YOU HAVE THE RIGHT TO OPT OUT OF (NOT BE BOUND BY) THIS ARBITRATION PROVISION AS DESCRIBED IN THE "OPT-OUT" SUBSECTION BELOW.** If you do not opt out and a Claim, as defined in the "Disputes Subject to Arbitration" subsection below is arbitrated, neither you nor we will have the right to: (1) have a court or a jury decide the Claim; (2) engage in information-gathering (discovery) to the same extent as in court; (3) participate in a class action, private attorney general action or other representative action in court or in arbitration; or (4) unless

**all parties otherwise agree in writing, join or consolidate a Claim with claims of any other person or entity.**

**a. General.** This Arbitration Provision describes when and how a Claim (as defined in the "Disputes Subject to Arbitration" subsection below) may be arbitrated. Arbitration is a method of resolving disputes in front of one or more neutral persons (the "arbitrator") instead of having a trial in court in front of a judge and/or jury. It can be a quicker and simpler way to resolve disputes. Arbitration proceedings are private and less formal than court trials. Each party to the dispute has an opportunity to present some evidence to the arbitrator. The arbitrator will issue a final and binding decision resolving the dispute (the "award"), which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision.

**b. Governing Law.** This Arbitration Provision is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA"), and not by any state arbitration law.

**c. Special Definitions.** Solely for purposes of this Arbitration Provision, "we," "us," and "our" mean (1) Latino Community Credit Union, each of its subsidiaries, affiliates, successors and assigns, and any of their employees, officers, directors and agents; (2) any servicer of your account; and (3) any other third party that you name along with us as defendants in a single proceeding.

**d. Opt-Out Process.** If you do not want this Arbitration Provision to apply, you may reject it by mailing us a written opt-out notice which specifies your name and address, identifies the applicable account(s), and includes a signed statement that you opt out of the Arbitration Provision. The opt-out notice must be signed by you and sent to us by mail (not electronically) at Credit Union, Attn: ARBITRATION, P.O. Box 28327, Raleigh, NC 27611. You should retain a copy of your opt-out notice and evidence of mailing.

**Any opt-out notice is effective only if it complies with the preceding requirements and is postmarked within thirty (30) days after the date you opened your account.**

This is the only way you can opt out of the Arbitration Provision. Your decision to opt out will not have any other effect on this agreement or your account with us. If you don't reject this Arbitration Provision, it will be effective as of the date you first opened your account. If an account is jointly owned, one owner's rejection of this Arbitration Provision will be deemed to be a rejection by all joint owners. In all other circumstances, your rejection of this Arbitration Provision will not be deemed to be a rejection of this Arbitration Provision by any person or entity other than you. If you have more than one account with us, and wish to opt out of the Arbitration Provision for multiple accounts, and are still within the 30-day time period for opting out of the Arbitration Provision for said accounts, please include in your written opt out notice each account for which you wish to opt out of the Arbitration Provision. In all other circumstances, your decision to opt out of the Arbitration Provision applies only to the applicable account and not to any other accounts you have with us. Moreover, we offer a number of different products and services to our customers. If you opt out of arbitration for one or more accounts governed by this agreement, this opt-out will not affect any other arbitration provision that may exist between you and us, now or in the future, in connection with other products or services you obtain from us. Any such arbitration provision will remain in force unless you separately opt out of it in accordance with its terms. For example, if you also have a credit card account with us, opting out of this Arbitration Provision will not constitute an opt out of any arbitration provision that may apply to the credit card account.

**e. Disputes Subject to Arbitration.** You or we may elect to have "Claims" arbitrated rather than resolved in court. The term "Claim" means any past, present or future claim, dispute or controversy between you and us that in any way arises from or relates to this agreement or your account. "Claim" has the broadest reasonable meaning and includes, without limitation: (1) initial claims, counterclaims, cross-claims and third-party claims; (2) disputes based upon contract, negligence, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity; (3) data breach or privacy claims arising from or relating directly or indirectly to our disclosure of any non-public personal information about you; (4) disputes concerning your application or other information you gave us before opening your account; (5) any account(s) you previously had with us; (6) disputes arising from or related to debit cards or any other cards, products or services provided by or purchased or obtained from us in connection with your account; (7) disputes arising from or related to any transactions in connection with your account; (8) disputes arising from or related to any advice, recommendations, solicitations, communications, disclosures, promotions or advertisements concerning your account; (9) claims brought in a direct, derivative, assignee, survivor, successor, beneficiary or personal capacity; (10) disputes concerning any fees or charges relating to your account or this agreement (for example, Overdraft Transfer Service fees, non-sufficient funds charges, and safe deposit box rental fees), any products or services relating to your account (for example, automated teller machines and our online or telephone banking services), and communication methods and practices we may use to service your account; and (11) disputes arising from or related to the relationship(s) between you and us resulting from any of the foregoing. Claims are subject to arbitration even if they arise out of or relate to actions, omissions, transactions, facts, or conduct that occurred prior to the date of this agreement. However, this Arbitration Provision will not apply to any Claim that was already pending in court before this Arbitration Provision took effect.

**f. Disputes Not Subject to Arbitration.** Notwithstanding the foregoing, the following disputes are not required to be arbitrated: (1) disputes that are within the jurisdiction of a small claims court (or an equivalent court). You or we may bring an action in small claims court or, if an arbitration demand has been made, instruct the arbitration administrator to close the case because the dispute should be decided by a small claims court. However, if the dispute is transferred, removed, or appealed from small claims court to a different court, you or we may elect to compel arbitration. Moreover, if you or we bring a counterclaim or cross-claim that is for more than the small claims court's jurisdiction, the entire dispute must, if you or we choose, be resolved by arbitration; and (2) disputes about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof (including, without limitation, the Class Action Waiver), which are for a court and not an arbitrator to decide. However, any dispute or argument that concerns the validity or enforceability of this agreement as a whole is for the arbitrator, not a court, to decide.

In addition, this Arbitration Provision does not prohibit you or us, at any time, from (1) exercising any lawful rights to preserve or obtain possession of property or self-help remedies, including but not limited to, the right to set-off or exercise a statutory lien or other lien granted by law or rule, the right to restrain funds in an account, recoupment, repossession, replevin or trustee's sales; (2) obtaining provisional or ancillary remedies or injunctive relief (other than a stay of arbitration), including but not limited to attachment, garnishment, interpleader or the appointment of a receiver by a court of appropriate jurisdiction; or (3) bringing an individual action in court that is limited to preventing the other party from using a self-help or non-judicial remedy and that does not involve a request for damages or monetary relief of any kind.

**g. Starting or Electing Arbitration.** You or we may start an arbitration by filing a demand with the arbitration administrator pursuant to the administrator's rules. You or we may also require arbitration of a Claim filed in court by filing a motion with the court to compel arbitration of the Claim. Even if you and we have chosen to litigate a Claim in court, either party may elect arbitration of a new Claim or of a Claim made by a new party in that or any related or unrelated lawsuit.

**h. Choosing the Administrator.** The party who commences the arbitration may select either of the following arbitration organizations to administer the arbitration under their rules that apply to consumer disputes: the American Arbitration Association ("AAA"), 120 Broadway, Floor 21, New York, NY 10271 (1-800-778-7879), www.adr.org; or JAMS, 1920 Main St. at Gillette Ave., Suite 300, Irvine, CA 92614 (1-800-352-5267), www.jamsadr.com. You can obtain a copy of the administrators' rules by visiting their websites or calling them. The parties may also mutually agree to select an arbitrator who is an attorney, retired judge or arbitrator registered and in good standing with a bona fide arbitration association and arbitrate pursuant to the arbitrator's rules. If AAA and JAMS cannot or will not serve, and the parties are unable to select an arbitrator by mutual consent, a court with jurisdiction will select the administrator or arbitrator, who must agree to abide by all of the terms of this Arbitration Provision (including, without limitation, the Class Action Waiver). Any arbitrator must be a practicing attorney with ten or more years of experience practicing law or a retired judge. If a party files a lawsuit in court asserting Claim(s) that are subject to arbitration and the other party files a motion to compel arbitration with the court, which is granted, it will be the responsibility of the party prosecuting the Claim(s) to select an arbitration administrator in accordance with this paragraph and commence the arbitration proceeding in accordance with the administrator's rules and procedures.

**i. Jury Trial Waiver. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, YOU AND WE WILL NOT HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM.**

**j. Class Action Waiver. ANY ARBITRATION MUST BE ON AN INDIVIDUAL BASIS ONLY. THIS MEANS THAT IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (1) PARTICIPATE IN A CLASS ACTION OR OTHER REPRESENTATIVE ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR OTHERWISE; OR (2) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION. ALSO, ABSENT THE WRITTEN CONSENT OF ALL PARTIES, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO JOIN OR CONSOLIDATE A CLAIM WITH CLAIMS OF ANY OTHER PERSON OR ENTITY.** An arbitration award shall determine the rights and obligations of the named parties only, and only with respect to the Claim(s) in arbitration. No arbitration administrator or arbitrator shall have the power or authority to waive or modify this section, and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable.

**k. Location and Costs of Arbitration.** Any arbitration hearing that you attend in person must take place at a location reasonably convenient to the parties or as otherwise agreed to by the parties or ordered by the arbitrator. Each administrator charges filing and administrative fees and the arbitrator also charges fees. The parties shall pay said fees in accordance with the administrator's rules. However, if you tell us in writing that you cannot afford to pay the fees charged by the arbitration organization and that you were unable to obtain a waiver of fees from the administrator, and if your request is reasonable and in good faith, we will pay or reimburse you for all or part of the fees charged to you by the arbitration organization and/or arbitrator. The parties shall also bear the fees and expenses of their own attorneys, experts and witnesses unless otherwise required by applicable law, this agreement or the administrator's rules. If we prevail in an individual arbitration that either you or we commenced, we will not seek to recover our attorney, expert or witness fees or our arbitration fees from you. Notwithstanding the foregoing, if the arbitrator determines that any party's claim or defense is frivolous or wrongfully intended to oppress or harass the other party, the arbitrator may award sanctions in the form of fees and expenses reasonably incurred by the other party if such sanctions could be imposed under Rule 11 of the Federal Rules of Civil Procedure.

**l. Law Applied by the Arbitrator:** The arbitrator must apply applicable substantive law consistent with the FAA and applicable statutes of limitations and claims of privilege recognized at law. The arbitrator is authorized to award all remedies permitted by the substantive law that would apply in an individual court action, including, without limitation, punitive damages (which shall be governed by the Constitutional standards employed by the courts) and injunctive, equitable and declaratory relief (but only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual Claim). Any finding, award or judgment from an arbitration of any Claim shall apply only to that arbitration. No finding, award or judgment from any other arbitration shall impact the arbitration of any Claim.

**m. Right to Discovery.** In addition to the parties' rights to obtain discovery pursuant to the arbitration rules of the administrator, either party may submit a written request to the arbitrator to expand the scope of discovery normally allowable under the arbitration rules of the administrator. The arbitrator shall have discretion to grant or deny that request.

**n. Arbitration Award and Right of Appeal.** At the timely request of either party, the arbitrator shall provide a written explanation for the award. However, if the amount in controversy exceeds \$50,000, you or we can, within 15 days after the entry of the award by the arbitrator, appeal the award to a three-arbitrator panel administered by the administrator. The panel shall reconsider anew any aspect of the initial award requested by the appealing party. The decision of the panel shall be by majority vote. Reference in this Arbitration Provision to "the arbitrator" shall mean the panel if an appeal of the arbitrator's decision has been taken. The costs of such an appeal will be borne in accordance with the paragraph above titled "Location and Costs of Arbitration." The original award or any subsequent award on the appeal described above shall be final and binding, subject to any further appeal rights under the FAA, and may be entered as a judgment by any court having jurisdiction.

**o. Rules of Interpretation.** This Arbitration Provision is binding upon and benefits you, your respective heirs, successors and assigns, and us and our respective successors and assigns. This Arbitration Provision shall survive (1) the repayment of amounts owed under this agreement; (2) any legal proceeding; (3) any sale, assignment or transfer of your account; (4) any bankruptcy to the extent consistent with applicable bankruptcy law; (5) any default, breach or repossession; (6) any termination, cancellation, closure, suspension or non-renewal of this agreement, your account or credit privileges; and (7) any termination, amendment, expiration or performance of any transaction between you and us. In the event of a conflict or inconsistency between this Arbitration Provision, on the one hand, and the applicable arbitration rules or the other terms of this agreement, on the other hand, this Arbitration Provision shall govern. Any changes to this Arbitration Provision will apply only prospectively unless we give you a right to opt out of the change or the entire Arbitration Provision.

**p. Severability.** If any portion of this Arbitration Provision is held to be invalid or unenforceable, the remaining portions shall nevertheless remain in force, subject to two exceptions: (1) if a determination is made that the Class Action Waiver is unenforceable, and that determination is not reversed on appeal, then the Arbitration Provision (except for this sentence) shall be void in its entirety; and (2) if a court determines that a public injunctive relief Claim may proceed notwithstanding the Class Action Waiver, and that determination is not reversed on appeal, then the public injunctive relief Claim will be decided by a court, any individual Claims will be arbitrated, and the parties will ask the court to stay the public injunctive relief Claim until the other Claims have been finally concluded.

**q. Notice and Cure.** Prior to initiating a lawsuit or an arbitration proceeding under this Arbitration Provision, you or we, as applicable, shall give the other party written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to resolve the Claim. Any Claim Notice to you shall be sent in writing by mail to the address you provided in connection with your account (or any updated address you subsequently provide). Any Claim Notice to us shall be sent by mail to Credit Union, Attn: CLAIM NOTICE, P.O. Box 28327, Raleigh, NC 27611 (or any updated address we subsequently provide). Any Claim Notice you send must include your name, address, and information sufficient to identify your account and explain the nature of the Claim and the relief demanded. You may only submit a Claim Notice on your own behalf and not on behalf of any other party. The party giving a Claim Notice must reasonably cooperate in providing any information about the Claim that the other party reasonably requests.

**35. ASSIGNMENTS, PLEDGES AND TRANSFERS.** LCCU will not recognize any assignment, pledge, transfer or grant of your account, or any interest in it to anyone other than LCCU.

**36. LEGAL PROCESS.** We may comply with any legal process we believe to be valid, and we may, at our discretion, accept legal process by mail, electronic mail, facsimile or any other means at any location where we do business. LCCU is not liable to you for releasing information or remitting funds in compliance with legal process, including subpoenas, attachments, executions, garnishments, levies, restraining orders, injunctions or warrants. In addition, you agree that LCCU is under no obligation to object to or otherwise contest on your behalf any legal process brought against your account. We are not required to send you notice of the legal process. LCCU will not be liable to you for any sums we may be required to hold or pay because of legal process against your account, even if holding or paying funds from your account leaves insufficient funds to pay checks or other items from your account. All funds held in a joint account can be used to satisfy any legal process against you, your account or any joint owner. If the Credit Union incurs any expenses or attorney 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.

**37. 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. At LCCU, we keep information about our members secure and confidential. Information about your accounts or any transactions between you and LCCU will not be disclosed to third parties except in strict accordance with the law, and LCCU will continue to protect your information even if you terminate your membership with us. LCCU will never sell your information to anyone for any reason. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except as set forth in the privacy policy.

### 38. NOTICES

**a. Name or Address Changes.** It is your responsibility to notify the Credit Union of a change in mailing or physical address, change of email address or change of name. We may require all name and address changes to be provided in writing. 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. We may rely on any instructions made by you, or on your behalf, including by any co-owner or agent, to change your contact information or mode of statement delivery without liability.

**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. Notice 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.

**39. 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.

### 40. STATEMENTS

**a. Contents – Paper and Electronic Statements.** We make available to you periodic statements showing all deposits, withdrawals, dividends and interest earned, and other information. Unless you have previously elected to receive electronic statements online through LCCU's Member Access (at [www.latinoccu.org](http://www.latinoccu.org)), a paper statement will be mailed to the address shown in LCCU's records. Prior to enrollment in Online Access and electing electronic statements, you must consent to receiving electronic communications from us. Paper statements, if you receive them, are mailed approximately every 30 days, but not always on the same day of the month. If you opt out of receiving paper statements and retrieve your statement electronically via Member Access ([www.latinoccu.org](http://www.latinoccu.org)), you may select the approximate time each month you wish your statement to be generated, which will still be approximately every 30 days, but not always on the same day of the month. We also offer large print and braille statements on our share and deposit accounts, which are available upon request.

Accounts, including individually and jointly owned accounts, can be combined on one statement. If your statement includes more than one account, any authorized signer on any of the accounts included on the statement will have access to the entire statement. Statements made available electronically are presented as maintained in the normal course of recordkeeping. Any person with online access to your account will be able to view all the information on the combined statement. If any part of a statement is presented responsive to a court order, subpoena or other legal process, or you ask us to produce a statement, we will present the entire as maintained in the normal course of recordkeeping.

For checking accounts, you understand that when paid, your original check becomes property of the Credit Union. Copies will be retained by the Credit Union and made available online via Member Access ([latinoccu.org](http://latinoccu.org)) or upon your request and subject to the fee set forth in the Fee Schedule.

**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 (1) you fail to notify the Credit Union in writing within sixty (60) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine. You agree that we will not be liable for paying or charging any erroneous item if you have not reported the erroneous item to us in writing within 60 calendar days of the date of the statement first containing the erroneous item. An erroneous item includes an unauthorized check, withdrawal, debit transaction or other item, an unauthorized signature or endorsement, a missing signature or endorsement, an alteration, a counterfeit item, an encoding error, an unauthorized or incorrect fee, or a missing, diverted or unauthorized deposit or any other type of error.

Notwithstanding the foregoing, the Consumer Liability section under the Regulation E Disclosure governs the reporting of erroneous items that constitute electronic funds transfers subject to Regulation. You also have certain rights under federal law for substitute checks; please see the Substitute Check Policy Disclosure section of this agreement for more information.

**c. Notice to Credit Union.** You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements and check copies or 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 checks 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. You agree to notify us promptly of any change in your contact information. We may also rely on our receipt of a notification of an address change from the U.S. Postal Service or its agents. If you receive a paper statement, we mail a copy of the paper statement to one address per statement. We have no obligation to mail the statements to any other account owner or other address on file. You also agree to notify us immediately if you believe you are not receiving your correspondence from LCCU. If a statement is returned undeliverable, or we otherwise receive notice that it is undeliverable, we will stop mailing statements until we receive verification of your mailing address. We may destroy undelivered statements, along with any accompanying items. However, copies of any undelivered statements and paid items will still be made available to you upon your request, subject to any applicable fees and our legal obligation to maintain copies of statements and items. Therefore, if we stop mailing your statements as described in this paragraph, you agree that your statements and items have been "made available" to you as of the date of the statement for purposes of your responsibility to promptly review your statements and report any erroneous items to us.

If you report an erroneous item on your account, you agree to cooperate with LCCU in our investigation and prosecution of the claim and any attempt to recover the funds. We may require you to provide us with an affidavit about the circumstances of your report and any other reasonable information we may request. You also agree to file reports with the appropriate law enforcement agencies. If you fail to do these things, we may charge the full amount of the item(s) to your account.

**41. COMMUNICATIONS WITH LCCU.** We may accept and act upon instructions from you to open accounts, transfer all or any portion of the balance of your accounts, close your accounts, process a change of account information, or obtain any other deposit services from LCCU. We may accept instructions you give verbally or in writing, whether in person, by telephone, electronic communication or by any other reasonable method. We may accept and act on such instructions that do not contain your signature with the same effect as if such instructions were signed by you. However, we may, in our discretion, require your original signature or any other documentation before accepting and acting upon your instructions.

**42. OPENING ADDITIONAL ACCOUNTS.** Some types of LCCU accounts can be opened by referencing a previously signed account signature form. Referencing means that a new account is opened, and a new account signature form is created, referencing the instruction(s) and signature(s) of the owner(s) on an existing account signature form. Members can open an individual account by referencing the account signature form of either an individual or joint account on which the member is an owner. Any joint account owner has sole authority to open a joint account referencing the account signature form of an existing joint account, without the knowledge, consent or joinder of the other joint owners, provided the joint owners on the referenced signature form are identical to the joint owners on the new account. You agree that new accounts can be opened by referencing existing accounts and that a joint owner, acting as agent for the other co-owners of an existing joint account, can independently open another joint account in the name of the same joint owners, and all owners on joint accounts are jointly and severally liable for the debts of the account, regardless of whether the account is opened through referencing. Account owners on all jointly-held accounts have rights of survivorship. Certain types of accounts, such as IRA accounts, cannot be opened by referencing a previously signed account signature form.

**43. 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 (1) you breach the any terms of this agreement, (2) has a zero balance (other than accounts that can have a \$0 balance) (3) there is a change in owners or authorized signers; (4) there has been a forgery or fraud reported or committed involving your account; (5) there is a dispute as to the ownership of the funds in the account; (6) any account checks are lost or stolen; (7) there are excessive returned unpaid items not covered by an overdraft protection plan; (8) 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 (9) we reasonably deem it necessary to prevent a loss to us. We at our sole discretion, with reasonable notice, may close an account for any other reason not prohibited by applicable law. 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. You will remain liable for checks and other transactions in process and for the payment of any accrued fees if we close your account. If we receive a deposit for credit to your account after it has been closed, we may, at our sole discretion, return the deposit, reopen your account and accept the deposit or redirect the deposit into another account owned by you. This agreement will continue to govern matters related to your account after it is closed.

**44. INACTIVE ACCOUNTS.** We may consider your account inactive if no transactions (including fees and dividend/interest payments) are made in a given month. Inactive accounts may not produce, or be included on, a statement.

**45. TERMINATION OF MEMBERSHIP.** 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 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. Expulsion or withdrawal from LCCU shall not operate to relieve a member of any liability to LCCU. All amounts paid on shares, deposits or other accounts held by expelled or withdrawing members, prior to their expulsion or withdrawal, shall be paid in the order of their expulsion or withdrawal, but only as funds become available and only after deducting any amount due from such member to LCCU.

**46. 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 checks 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 checks 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.

**47. 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.

**48. 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.

**49. 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.

**50. 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 attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

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

**52. SAFETY.** The National Credit Union Share Insurance Fund (NCUSIF) of the National Credit Union Administration (NCUA) insures member deposits up to \$250,000 (and potentially more, through different account ownerships). This insurance coverage is automatic and is provided at no additional member cost. Insurance coverage by NCUA is provided on all types of share and deposit accounts currently offered by LCCU. For more information about NCUA share insurance coverage, please contact your local branch or see our NCUA Share Insurance information available at [www.latinoccu.org](http://www.latinoccu.org).

## **TRUTH-IN-SAVINGS ACCOUNT DISCLOSURES**

**THE FOLLOWING DISCLOSURES CONTAIN IMPORTANT INFORMATION AND THE TERMS AND CONDITIONS OF ANY ACCOUNT OR ACCOUNTS THAT YOU MAY HAVE WITH US AND ARE PROVIDED AS REQUIRED BY THE TRUTH-IN-SAVINGS ACT. WHEREVER USED, "APY" MEANS ANNUAL PERCENTAGE YIELD.**

Except as specifically described below, the following disclosures apply to all of the accounts. All accounts described in this Truth-In-Savings Disclosure are share and deposit accounts.

**1. MEMBER IN GOOD STANDING.** The Account services described herein are available to those members in good standing with the Credit Union. We reserve the right to suspend services to a member who is not in good standing, which includes members that have:

- a. A delinquent loan.
- b. A savings balance below the minimum balance required to open.

- c. An unresolved deposited returned check.
- d. Any unpaid and uncollected credit union fees.
- e. A negative balance on an account.
- f. Caused a financial loss to the Credit Union.

**2. 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. Current dividend and interest rates along with corresponding APYs for all share and deposit accounts are disclosed in our rate information sheet available at any branch office. In addition, you may verify current rates and APYs on our website, [www.latinoccu.org](http://www.latinoccu.org), or by calling 1-866-873-5228.

Interest rates for new STCs and dividend rates for other accounts are set by our Board of Directors at its discretion and are subject to change daily without advance notice.

**3. DIVIDEND PERIOD.** The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.

**4. ACCRUAL OF DIVIDENDS.** For all accounts, dividends will accrue on cash and non-cash deposits (e.g. checks) on the business day you make the deposit to your account. If you close your account before accrued dividends are credited, accrued dividends will be paid.

**5. COMPOUNDING AND CREDITING.** Dividends for share accounts, (including Children's savings accounts and Youth savings accounts), Holiday Savings accounts, IRAs, SEP IRAs, HSAs, Coverdell ESAs, dividend checking accounts (including Youth checking accounts), and money market share accounts, are compounded daily for each day on which your balance exceeds the minimum balance requirement for your Account, and are credited monthly on the same day the monthly statement is generated (the statement date).

Interest is not compounded on STCs; it accrues as simple daily interest. Interest is paid monthly by automatic transfer from the STC into an account of your choice at LCCU; however, if the term is six or 12 months, you may request instead that interest be paid when the STC matures. Interest that is transferred to another account will earn dividends at the current rate being paid for that type of account. Interest begins to accrue on the business day you deposit cash or non-cash items to your account, when opening the account or during the grace period. See the Term Certificate Accounts section.

**6. NATURE OF DIVIDENDS.** Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period. Dividends are paid on share accounts (including Children's savings accounts and Youth savings accounts), Holiday savings accounts, IRAs, SEP IRAs, HSAs, Coverdell ESAs, dividend checking accounts (including Youth checking accounts), and money market share accounts. These accounts are variable rate accounts, which means the dividend rate and APY may change.

Interest is paid on STCs. These accounts are fixed rate accounts, which means the rate will not change during the term of an STC. If an STC is automatically renewed, the interest rate will be based on the rate for that term on the date of renewal. Rates for new STCs are subject to change daily at the discretion of the Board of Directors.

Neither dividends nor interest are earned on CPG accounts or non-dividend checking accounts.

**7. BALANCE INFORMATION.** The par value of each share is \$5. The minimum balance to open a share account, Youth Savings account, or Children Savings account is 2 shares (\$10). The minimum balance to open an IRA or SEP IRA is \$25. The minimum balance to open a money market share account is \$500. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements necessary to earn dividends or avoid service fees are stated in the Rate Addendum and Fee Schedule.

**8. BALANCE COMPUTATION METHOD.** Dividends are calculated using the Daily Balance method. The Daily Balance applies a daily periodic rate to the principal in the account each day.

**9. ACCOUNT WITHDRAWAL RESTRICTIONS.** The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except dividend checking, non-dividend checking, HSA or CPG accounts) of no less than seven (7) days and up to sixty (60) days, as required by law, before such withdrawal.

- a. No checks can be written and no Automated Clearing House (ACH) debits are allowed on share accounts (including Youth Savings and Children Savings accounts), CPG accounts, HSAs, IRAs, money market share accounts, or STCs. Payments can be made from CPG accounts and HSAs online, however, through BillPay.
- b. No debits are allowed on Holiday Savings accounts, except for the automatic debits agreed to in writing during account opening and debits made to close the account.
- c. For Health Savings Account (HSA) "Limited to medical expenses."
- d. Transfers and withdrawals from IRAs, SEP IRAs and Coverdell IRAs may be subject to limitations imposed by the Internal Revenue Service.

**10. OTHER FEES AND CHARGES.** You are responsible for paying any fees and charges associated with your account. These fees may be deducted from your account and can cause the account to have insufficient funds to pay other items. Fees are subject to change at our discretion and in accordance with law. For a full list of fees and charges that may affect your account, see the included Service Fees and Terms chart.

Fees for overdrawing your account may be imposed on each check, draft, item, preauthorized automatic debit, telephone initiated withdrawal or any other electronic withdrawal or transfer transaction that is drawn on an insufficient available account balance. The entire balance in your account may not be available for withdrawal, transfer or paying a check, draft or item. You may consult the Funds Availability Policy Disclosure for information regarding the availability of funds in your account. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the draft, item or transaction. Please refer to the Schedule of Fees and Charges for current fee information.

## 11. TERM CERTIFICATE ACCOUNTS

**a. Fixed Rate Information.** An STC is a fixed rate account, which means the rate will not change during the term of the STC. The interest rate and annual percentage yield ("APY") on your certificate account is set forth in the Rate Addendum. Subsequent deposits or partial withdrawals are not allowed during the term of the STC.

**b. Interest Period.** For each account the interest period is the account's term. The interest period begins on the first day of the term and ends on the maturity date. Terms available for selection are set forth in the Rate Addendum.

**c. Interest Crediting.** For 6- and 12-month STCs, you may choose to have the interest earned paid to the STC or to another account at LCCU. Interest earned for all other STCs must be paid to another account at LCCU.

**d. Balance Information.** The minimum balance required to open the account and earn the stated APY is set forth in the Rate Addendum. The interest calculation method for your certificate is set forth in the Rate Addendum.

**e. Account Limitations.** After your account is opened you may make withdrawals subject to the early withdrawal penalties stated in this disclosure (see *Early Withdrawal Provisions section*).

**f. Maturity.** Your certificate account will mature on the maturity date stated on the Term Certificate disclosure.

**g. Renewal Policy.** You may choose whether you would like your STC to renew or transfer to another account at maturity. If you choose renewal, the STC will automatically renew into a new STC for the same term at the then-offered interest rate for that term unless you specifically request in writing that the balance be transferred into another LCCU account at maturity. This request must be made prior to maturity. Approximately, 14 days prior to maturity or renewal, LCCU will send you a notice indicating whether the STC will mature or automatically renew. If the STC matures, the STC funds will be paid into the account at LCCU you selected.

**h. Early Withdrawal Penalties.** If funds are withdrawn from your STC before the maturity date, an early withdrawal penalty may be charged. The penalty equals 90 days' interest on the principal amount or the actual interest earned, whichever is less.

**i. Exceptions to Early Withdrawal Penalties.** An STC may be cancelled without penalty during the grace period, which is the seven calendar days following an automatic renewal. If you choose to cancel the STC during the grace period, the STC will earn interest for the days from the renewal until the cancellation at the share account rate. You can make one partial deposit to or withdrawal from an STC during the seven-day grace period without penalty.

## **FUNDS AVAILABILITY POLICY DISCLOSURE**

**THIS DISCLOSURE DESCRIBES YOUR ABILITY TO WITHDRAW FUNDS AT THE CREDIT UNION. YOU SHOULD ALSO REFER TO THE SECTION OF THESE AGREEMENTS AND DISCLOSURES THAT DESCRIBES THE DETAILS OF YOUR SPECIFIC ACCOUNT TYPE FOR ADDITIONAL INFORMATION.**

**1. GENERAL POLICY.** Our general policy is to make funds from your cash deposits available to you on the same business day we receive your deposit. Funds from checks deposited to a CashPoints ATM are generally made available to you on the first business day after the day of your deposit. Electronic direct deposits will be available on the effective date or the day we receive the deposit, whichever is later. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and days we are closed for observance of holidays. If you make a deposit on a business day we are open at one of our branches or at a CashPoints ATM before 5:30 p.m., we will consider that day to be the day of your deposit. However, if you make a deposit at one of our branches or at a CashPoints ATM after 5:30 p.m., or on a day we are not open, we will consider the deposit made on the next business day we are open.

**2. RESERVATION OF RIGHT TO HOLD.** In some cases, we will not make all of the funds that you deposit by check available to you on the same business day of a deposit. Depending on the type of check that you deposit, funds may not be available until the seventh business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the same business day we receive your deposit, and the first \$225 of your deposit at a CashPoints ATM will be available on the second business day. Generally, if we are not going to make all the funds from your deposit available on the same business day of your deposit (or the first business day after the day of your deposit for transit checks deposited to a CashPoints ATM), we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the end of the next business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available. **4. LONGER DELAYS MAY APPLY.** In addition, funds you deposited by check may be delayed for a longer period under the following circumstances:

- ❖ We believe a check you deposit will not be paid.
- ❖ The check you deposited, or other checks you have previously deposited has been returned unpaid.
- ❖ You make a large deposit (however, up to \$5,525 will be available on the same or next business day).
- ❖ You make a deposit to a new transaction account.
- ❖ You have overdrawn one of your accounts repeatedly with us in the last six (6) months.
- ❖ There is an emergency, such as a weather emergency, power outage, or failure of communications or computer equipment.

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 fifth business day after the day of your deposit.

**3. HOLDS ON OTHER FUNDS.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that is already in your account. Those funds will be available at the time funds from the check we cashed would have been available, if you had deposited it. For example, if LCCU cashes a \$500 check for you, \$500 of funds already in your account may not be available until up to the seventh business day after the day LCCU cashed the check.

If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Our Funds Availability policy, as explained above, reflects regulatory requirements under federal Regulation CC ("Reg CC") and applies primarily to in-person and ATM deposits made to certain types of accounts. Deposits made to share accounts (including IRA share and money market share accounts), and all deposits made through Mobile Check Deposit (see the Mobile Check Deposit section under Deposit Requirements) are not governed by Reg CC. Therefore, we may place longer holds on funds from these deposits if we believe there is risk the check may not be paid and/or there may not be sufficient available funds in your account to cover the check should nonpayment occur. If we place a hold on your deposited check, we will provide you with notice of the hold at the time of deposit (if the deposit takes place in person at our branch), or we will mail you notice as soon as practicable.

**5. DEPOSITS AT NON-PROPRIETARY ATMS.** The Credit Union does not accept, and will not process, deposits made at non-proprietary ATMs.

**6. FOREIGN CHECKS.** Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed.

## **SUBSTITUTE CHECK POLICY DISCLOSURE**

**1. SUBSTITUTE CHECKS.** To make check processing faster, federal law permits financial institutions 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 back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can 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 substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

**2. 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 that 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, non-sufficient funds 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 also are entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus dividends, if your account earns dividends) within 10 business days after we receive your claim and the remainder of your refund (plus dividends, if your account earns dividends) not later than 45 calendar days after we receive your claim.

We may reverse the refund (including any dividends on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**3. HOW TO 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 contact your local branch or call 1-866-873-5228 or sign onto the Online Access section of the LCCU website at [www.latinoccu.org](http://www.latinoccu.org) and send a secure message to request a refund. You must contact us within 60 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 date of the account statement showing that the substitute check was posted to your account, whichever is later. We will 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, and a copy of the substitute check and the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check and the amount of the check.

## **ELECTRONIC FUNDS TRANSFER AGREEMENT**

**THE FOLLOWING SECTIONS SUMMARIZE YOUR RIGHTS, LIABILITIES AND OBLIGATIONS FOR ELECTRONIC FUNDS TRANSFERS UNDER REGULATION E. AN ELECTRONIC FUNDS TRANSFER IS A TRANSFER OF FUNDS THAT IS INITIATED ELECTRONICALLY, SUCH AS BY AN LCCU DEBIT CARD, THROUGH AN ELECTRONIC DEVICE (SUCH AS A TELEPHONE OR COMPUTER) OR CONVERTED FROM A PAPER ITEM FOR THE PURPOSE OF AUTHORIZING US TO DEBIT OR CREDIT YOUR ACCOUNT. BY USING YOUR CARD OR MAKING ANY OTHER TYPE OF ELECTRONIC FUNDS TRANSFER, YOU AGREE TO THE TERMS OF THIS AGREEMENT.**

Your use of cards issued by LCCU is also governed by the Supplement provided to cardholders when a card is issued. This document is also available upon request.

**1. TRANSFER TYPES AND LIMITATIONS.** You may use your card, code and PIN to:

- ❖ Withdraw cash from your accounts
- ❖ Make deposits to your accounts
- ❖ Transfer funds between your accounts whenever you request
- ❖ Pay for purchases at places that have agreed to accept the card, code or PIN
- ❖ Pay bills directly from your checking account in the amounts and on the days you request

Some of these services are not available with all types of cards, and may not be available at all terminals.

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to:

- ❖ Pay for purchases
- ❖ Pay bills

If you enroll in our online services, you can use our BillPay at no cost.

For security reasons, there are limits on the dollar amount of transactions you can make using our services. You may withdraw up to \$1000 each day using your LCCU debit card. You may purchase up to \$4,000 (including the \$1000 cash withdrawal amount) worth of goods or services each day using your LCCU debit card. Youth Checking cardholders may withdraw up to \$200 each day, and may purchase up to \$1,000 (including the \$200 cash withdrawal amount) worth of goods or services each day using a debit card. If you need these limits adjusted, please contact us.

**2. STOPPING PAYMENT ON PRE-AUTHORIZED TRANSACTIONS.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Call us at 1-866-873-5228, sign on to Online Access at [www.latinoccu.org](http://www.latinoccu.org), or write to us at LCCU, PO Box 25360, Durham, NC 27702, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We may charge you a fee for each stop payment order you give. See the included Service Fees and Terms chart.

If these regular payments may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set. If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we fail to do so, we will be liable for your losses or damages.

**3. OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS.** 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, there are some exceptions. We will not be liable, for instance:

- ❖ If, through no fault of ours, you do not have enough money in your account, including any amounts available from overdraft transfer sources, to cover the transaction.
- ❖ If the ATM where you are making the transfer does not have enough cash
- ❖ If the terminal or system was not working properly and you knew about the breakdown when you started the transfer
- ❖ If circumstances beyond our control (such as a power outage, fire or flood) prevent the transfer, despite reasonable precautions that we have taken
- ❖ if the funds are subject to legal process

There may be other exceptions provided by applicable law or stated in our agreements with you governing your accounts.

**3. ATM FEES.** When you use an ATM that is not a CashPoints ATM, you may be charged a fee by the ATM operator (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer).

**4. MEMBER LIABILITY.** Tell us AT ONCE if you believe your card, code or personal identification number (PIN) has been lost or stolen, or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus any funds available for overdraft transfer). If you tell us within two business days after you learn of the loss or theft of your card, code or PIN, you can lose no more than \$50 if someone used your card, code or PIN without your permission.

If you do NOT tell us within two business days after you learn of the loss or theft of your card, code or PIN, and we can prove we could have stopped someone from using your card, code or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code, PIN or other means, tell us at once. If you do not tell us within 60 days after the date we make the statement available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your card, code or PIN has been lost or stolen, call us immediately at 1-866-873-5228, or write to LCCU, PO Box 25360, Durham, NC 27702. You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission. For the purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

## **RIGHT TO RECEIVE DOCUMENTATION**

**1. DOCUMENTATION.** You can get a receipt at the time you make any transfer to or from your account using one of our ATMs or in our branches.

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can view your accounts at [www.latinoccu.org](http://www.latinoccu.org) or call us at 1-866-873-5228 to find out whether or not the deposit has been made. We will send or otherwise make available to you a monthly account statement, unless we consider your account inactive. Your account is inactive if no transactions (including fees and dividend/interest payments) are made in a given month. Inactive accounts may not produce a statement.

**2. ACCOUNT INFORMATION DISCLOSURE.** We will disclose information to third parties about your account or the transfers you make:

- ❖ Where it is necessary for completing transfers
- ❖ In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant
- ❖ In response to a legal process which we believe requires our compliance
- ❖ If you give us your written permission
- ❖ To other third parties as described in our Privacy Notice or as otherwise permitted by applicable law

**3. ERROR RESOLUTION.** In case of errors or questions about your electronic fund transfers, telephone us at 1-866-873-5228 or write us at LCCU, PO Box 25360, Durham, NC 27702 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after the statement on which the problem or error first appeared was made available to you.

- ❖ Tell us your name and account number.
- ❖ Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- ❖ Tell us the dollar amount of the suspected error.

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation and reverse the provisional credit to your account. You may ask for copies of the documents that we used in our investigation.

<b>FACTS</b>	<b>WHAT DOES LCCU DO WITH YOUR PERSONAL INFORMATION?</b>
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<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or services you have with us. When you are no longer our member, we continue to share your information as described in this notice. This information can include: <ul style="list-style-type: none"> <li>• Social Security number ITIN and income</li> <li>• Account balances and payment history</li> </ul> Account transactions and mortgage rates and payments
<b>How?</b>	All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons LCCU chooses to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES LCCU SHARE?	CAN YOU LIMIT THIS SHARING?
For our everyday business purposes –such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes –to offer our products and services to you	Yes	No
For joint marketing purposes	Yes	No
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For non-affiliates to market to you	No	We don't share

<b>Who we are</b>	
Who is providing this notice?	Latino Community Credit Union

<b>What we do</b>	
How does LCCU protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does LCCU collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• Open an account or deposit money</li> <li>• Pay your bills or apply for a loan</li> <li>• Use your credit or debit card</li> </ul> We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.

<b>Definitions</b>	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Our affiliates include: Latino Community Development Center</li> </ul>
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• LCCU does not share with non-affiliates so they can market to you.</li> </ul>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Our joint marketing partners include insurance and financial services companies.</li> </ul>

<b>Questions?</b>	Call 919-595-1800 or go to <a href="http://latinoccu.org">latinoccu.org</a>
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