

**YOUR UNCLE  
CREDIT UNION  
MEMBER  
HANDBOOK**



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## **HOW TO CONTACT US**

### **WHAT TO TELL US IN CASE OF AN ERROR OR INQUIRY**

Thank you for joining and opening one or more accounts with UNCLE Credit Union (“we,” “us,” “our,” “Credit Union”).

#### **I. INTRODUCTION**

This Member Handbook and Account Agreement (“Handbook”) is a master agreement governing your membership in the Credit Union and accounts you open and maintain with us for consumer, family or household purposes. The Membership and Account Application you complete and the current versions of our Truth in Savings Disclosures and Fee Schedule also govern your membership and Credit Union accounts. Your Regular Savings account is your core Credit Union account. You can establish additional sub-accounts under your core account, such as checking, money market and certificate accounts.

Keep this Handbook, your Truth in Savings Disclosures and Fee Schedules with your permanent records. We will send you periodic statements that will let you know the status of your accounts.

#### **II. MEMBERSHIP REQUIREMENTS AND SERVICE ELIGIBILITY**

If you are within our field of membership, have no significant derogatory financial institution history, and satisfy our customer identification requirements, you can join the Credit Union by completing the Membership Application and depositing the required par minimum balance to a Regular Share account, as shown on the current Truth in Savings Disclosure. Your membership makes you a shareholder-owner of the Credit Union and entitles you to apply for all of our account and loan services.

Minors in our field of membership must have a responsible adult joint owner to open Credit Union accounts and a responsible joint obligor to obtain Credit Union loans.

The Board may from time to time establish additional means of joining the Credit Union consistent with applicable credit union law and regulation.

UNCLE membership is open to individuals who work for member companies and to individuals who live, work, worship or attend school in the California counties of Alameda, Contra Costa, San Joaquin and Stanislaus. Membership is also open to family members of current members who established membership through a member company. “Family members” include spouses, registered domestic partners, daughter, son, brother, sister, mother, father, aunt, uncle, cousin, grandparents, grandchildren and step children. Our field of membership expands from time to time. If you have questions about your membership eligibility, please ask a Credit Union representative. We welcome referrals of employee groups and other groups who are interested in establishing eligibility for UNCLE Credit Union membership.

We will not provide Credit Union services to any person who does not provide us with a valid U.S. taxpayer identification number or an IRS exemption determination.

#### **III. CREDIT UNION GOVERNANCE**

Unlike other financial institutions, credit unions are non-profit corporations formed to serve their members by offering highly competitive returns on savings and affordable interest rates on loans. The Credit Union is governed by a volunteer Board of Directors elected by our members from among our members. Members also elect a volunteer Supervisory Committee from among our members. Members may seek nomination for election to the Board of Directors or the Supervisory Committee by submitting their names to the nominating committee or by petition. If you are interested in serving on the Board or Supervisory Committee, you may submit a letter of interest to the Board of Directors at the Credit Union’s Main Office. Credit Union newsletters or separate mailings notify members about upcoming elections.

Each individual or entity member has one vote in Credit Union elections, regardless of the number of membership numbers associated with accounts maintained by the member and regardless of the dollar amount of shares owned by the member.

#### **IV. TERMINOLOGY**

The definitions here will help you understand this Handbook and transactions on your Credit Union accounts and loans. “Member” refers to a person who completes a Membership Application, satisfies membership requirements and is approved for membership. “Joint owner” refers to a person(s), if any, who completes a Membership Application in that capacity. “Agent” refers to a person authorized to manage the Credit Union accounts and loans of a member or joint owner by virtue of a power of attorney, conservatorship order, trust agreement or similar document, or by court order. “Owner” refers to any owner of an account, whether the member or a joint owner. “Obligor” refers to any person obligated to pay a Credit Union loan or other obligation owed to the Credit Union, such as a negative account balance, whether they are designated as a member, joint owner, borrower or non-borrowing co-signer. “You” may, as the

context indicates, refer to any member, joint owner, agent, or obligor. "Authorized person" means any owner, agent, obligor or other person that have notified in writing is authorized to conduct activity on your accounts or loans. "Board" refers to our Board of Directors. "Bylaws" refers to our current Bylaws. "Debit" refers to a transaction that withdraws funds from a Credit Union account. "Credit" refers to a transaction that deposits funds to a Credit Union account or posts a payment to a Credit Union loan. "Item" means any ATM withdrawal, wire transfer, ACH transaction, teller cash withdrawal, check, debit card purchase, fee, or other amount that is credited to or debited from your account. "New account" refers to accounts of a person who has been a member of the Credit Union for fewer than thirty days. "EFT" refers to electronic fund transfers governed by the federal Electronic Funds Transfer Act and Consumer Financial Protection Bureau Regulation E. "ACH" means Automated Clearinghouse and refers to both the national ACH system for processing electronic payments and an EFT processed through the ACH system.

We may refer to our share accounts as "savings accounts," to our share draft accounts as "checking accounts," to our money market share accounts as "money market accounts," and to our term share certificate accounts as "certificates" in this Handbook and other Credit Union documents that you may receive.

## **V. GENERAL AGREEMENTS OF MEMBERS**

### **A. Consent to Terms of Membership and Services**

By signing a Membership Application and depositing the required minimum balance to a regular share savings account and meeting any other membership requirement that may be established by the Board from time to time, you acknowledge that you have received, read, understood and consented to the terms of this Handbook, the current Truth in Savings Disclosure applicable to any account(s) you have opened, and our current Fee Schedule. You will consent to the specific terms of Credit Union loan products by signing applications for our credit agreements governing those products. The singular implies the plural if more than one person signs the Membership Application. Any person who becomes an agent on a Credit Union account or loan agrees to comply with the terms of the agreement that governs the account or loan.

### **B. Member Numbers**

Each individual or entity joining the Credit Union is assigned a unique member number. If a membership application includes one or more joint owners, all sub-accounts established under the assigned member number will have the same ownership combination, except for accounts that enjoy special tax treatment such as IRAs and HSAs. A suffix is added to the member number to identify each different sub-account type you maintain.

If, after establishing sub-accounts under a member number, the ownership of any sub-account open under that number is changed in accordance with a procedure authorized by this Handbook or otherwise allowed by the Credit Union, the ownership of all accounts under that member number (except for accounts with special tax treatment) will also change to the new ownership. Examples: If the sole owner of a share savings account and a checking account maintained under the same member number adds a joint owner to the share savings account, the joint owner will also be added to the checking account tied to that member number. If the joint owners of share savings, checking and certificate accounts maintained under the same member number ask that the certificate account be retitled under the name of a revocable trust they have established, title to the share savings and checking accounts under that member number will also be placed under the trust.

An IRA or HSA can only have one owner, who must be the member associated with the member number.

Fiduciary accounts cannot have joint owners, but agents for fiduciaries (the persons entrusted with management of the funds) may be named on accounts with legally sufficient supporting documentation.

Credit Union loans are also tied to the core member number. The member number used for any Credit Union loan will be the member number of the first person listed on the credit application. A suffix is added to the member number to identify the loan. Obligors on Credit Union loans will be determined by who signs the credit application or credit agreement.

On joint accounts, all funds in the account will be subject to the Credit Union's Right of Offset whenever any owner of the account fails to meet a payment obligation to us, even if not all owners of the account are parties to the loan or account transaction that resulted in the debt. For example, if A and B own an account jointly, and B fails to pay an obligation incurred to the Credit Union solely by B, the funds in the account owned jointly by A and B are liable for the debt.

If you want accounts with different ownership combinations, you should establish a separate member number for each ownership combination. For example, if you want a savings account with your spouse but a checking account in your own name, open the savings account under one member number and the checking account under a different member number.

We may allow you to have different obligors on loans associated with a single member number; however, periodic loan statements will be addressed to the owners of the regular share account maintained under the member number.

Even if you have more than one member number, you will only be permitted one vote in Credit Union elections.

### **C. Member Conduct Policy**

For the safety and comfort of our staff, volunteers and members, the Board has adopted a Member Conduct Policy. You must abide by the Member Conduct Policy.

You are entitled to courteous, accurate and prompt service from us.

The Member Conduct Policy requires you to conduct your business with the Credit Union in a civil and businesslike way. We will not tolerate verbal or physical harassment or abuse, disruptive behavior, violence or threats of violence. Visibly intoxicated persons or persons carrying weapons are not permitted on Credit Union premises at any time.

Breach of the Member Conduct Policy may result in the breaching individual being denied access to financial centers or other services, or expulsion from the Credit Union. In addition, we may take any other action deemed necessary under the circumstances that is not expressly precluded by the California Financial Code, the Federal Credit Union Act, National Credit Union Administration rules and regulations or the Credit Union Bylaws.

### **D. Minimum Balance Requirements for Membership**

To remain a member in good standing and be eligible to receive other Credit Union services, you must maintain any minimum share account balance specified by the Board in the current Truth in Savings Disclosure. If for any reason your share account balance falls below the required minimum, your membership will change to inactive status. If you are not otherwise in default, you can restore your membership to active status by depositing sufficient funds to restore the minimum share account balance. If the Board establishes alternate means of joining and maintaining membership in the Credit Union, your continued membership will depend on your meeting any requirements specified by the Board.

### **E. Governing Provisions; Changes in Terms**

Your membership and Credit Union services are governed by this Handbook, applicable California and federal laws and regulations, the current version of our Fee Schedule, and the current version of our Bylaws. Each Credit Union account is also governed by the current Truth in Savings Disclosure. Credit Union loans are also governed by the applicable credit agreements and Truth in Lending Disclosures. Current Bylaws may be reviewed at our main office. To the extent any Bylaw, Truth in Savings Disclosure, Fee Schedule, credit agreement, Truth in Lending Disclosure or change-in-terms notice with a more recent effective date than this Handbook is inconsistent with this Handbook, the more recent document shall control.

Subject to applicable law, our agreements with you may be changed if (a) we send you a written change in terms notice that complies with applicable law, (b) we send you a revised version of this Handbook, a Truth in Savings Disclosure applicable to an account you have, or a Fee Schedule, (c) you and our authorized representative agree to the change in terms in writing, or (d) a court to whose jurisdiction we are subject orders the change. No other change in terms of your agreements with us will be valid. No employee or official or other actual or apparent agent of the Credit Union is authorized to change terms of your agreements orally. We are not subject to court orders in actions to which we are not a party, such as divorce decrees.

Documents such as sales receipts that you receive from third parties when you initiate transactions using Credit Union-issued devices (normally checks, credit cards, debit cards or ATM cards) may have terms printed on them. Those printed terms will not affect your agreements with us.

A "change in terms" may include a change to an existing term, the addition of a new term, or the deletion of an old term. If you object to any change in terms, you can avoid its application by terminating the related Credit Union service.

Change in term notices may appear in the Credit Union newsletter, your periodic statements, or on separate notices we send you as long as the timing and format complies with applicable law.

If any provision of any agreement between you and us is found by a court of competent jurisdiction to be unenforceable, the remaining provisions of the agreement will continue in effect.

### **F. Notices**

You can send us any written notices regarding your accounts or loans by writing to our main office, UNCLE Credit Union, 2100 Las Positas Court, Livermore, CA 94551. You can also fax written notices at 925.455.7153. If we change our contact information for delivery of notices, we will notify you. We are not required to honor notices from you that are inconsistent with your agreements with us or that appear to be inauthentic. Certain types of notices, such as change of address notices, may be subject to verification for security or other business reasons.

We can send you periodic statements and other communications by mailing them to your last address in our records or by sending them to you electronically, if you have agreed to receive statements and other communications from us electronically. Notices that we send to you will be binding upon mailing or electronic delivery or after the passage or any time required by applicable law or regulation, whichever is later. Notices and

statements mailed to you by first-class U.S. mail are presumed to be received five business days after mailing if you live in California, or ten business days after mailing if you live outside California. Unless we receive a delivery failure notice, any notice we send you by e-mail that statements or other communications are available for pick-up on our secure web site will be presumed to have been received by you upon transmission.

Statements for Credit Union services are generally mailed to the member whose number is associated with the service and any joint owner(s) of that member's regular share savings account. Unless otherwise required by law, our sending a statement or other communication by us to any owner of an account or obligor on a loan will constitute delivery of the statement or other communication to all owners, agents or obligors.

If any mailed statements or other documents are returned to us by the U.S. Postal service as undeliverable, we are authorized to destroy them. We will retain the capacity to provide copies of statements and other communications to you for any maximum time prescribed by law.

## **G. Our Responsibility for Following Your Instructions**

We reserve the right to verify your identity by any reasonable means prior to acting upon instructions.

On accounts or loans with more than one authorized person, we can follow the instructions of any one authorized person. If a court orders that an account or loan be subject to multiple signature requirements, we reserve the right to close the affected account or loan due to our technical inability to honor such requirements. If we continue to make the account or loan available to you, you agree that you have sole responsibility to meet dual or multiple signature requirements and to defend and indemnify us from any liability or claims arising out of your failure to comply with multiple signature or similar requirements for joint authorization of transactions. We operate in an automated processing environment and cannot monitor compliance with multiple signature requirements imposed by third parties.

We will follow your instructions on your accounts and loans. Instructions may be provided orally or in writing. Oral instructions will be honored only after we have confirmed the identity of the person giving the instructions. Instructions received via secure electronic transmission, such as PIN-initiated ATM keypad or Online Banking instructions, are treated as written instructions.

We honor all valid court orders, legal process and powers of attorney that govern your accounts or loans. Valid court orders and legal process (such as valid subpoenas) will prevail over conflicting instructions from authorized persons.

We reserve the right to refuse to follow your instructions if (a) they are ambiguous, (b) we reasonably believe the instructions do not comply with applicable state or federal law, (c) an authorized person asks us not to allow transactions on an account or loan, (d) we receive conflicting instructions on accounts or loans with more than one authorized person, (e) we are unable to verify your identity, (f) we reasonably believe that following the instructions will cause the Credit Union a loss, or (g) any other lawful reason.

Once we have followed the instructions of an authorized person, we are relieved from liability to any owner of the related account or obligor on the related loan unless our following the instructions violates a court order to which we are subject or we have agreed in writing to freeze the account or loan. Any disputes regarding actions taken on the account or loan must be resolved between or among the parties to the account or loan.

You agree to defend, indemnify and hold us harmless from any claims, damages, losses, liability or expenses to which we become subject as a result of your violating court orders or agreements to which you are subject. For example, if a family court order directs you not to withdraw funds from a Credit Union account and you withdraw the funds contrary to the order, you will be responsible for any claims related to the withdrawal and you agree to defend and indemnify the Credit Union from any related claims.

We are not required to honor restrictive legends on items you write or endorse unless we have expressly agreed in writing to do so. For example, our negotiating a loan payment check on which you have written "payment in full" will not discharge your loan obligation unless either (a) we have agreed in writing that the payment will discharge your obligation or (b) the check actually pays your loan balance in full, including accrued interest and other charges.

You agree, at your sole expense, to defend, indemnify and hold us harmless from any claims, damages, losses, liability or expenses to which we become subject as a result of our following the instructions (including electronic instructions) of any authorized person.

## **H. Our Right to Freeze or Block Accounts and Loans and Refuse to Follow Instructions**

In case of conflicting instructions, we reserve the right but do not undertake the duty to freeze funds in any account or refuse to make loan advances until we receive consistent written instructions from all authorized persons or a valid order from a court of competent jurisdiction.

We may block accounts or decline transactions consistent with requirements imposed by applicable laws, regulations or government agency directives.

## I. Change of Address

You agree to keep us informed of your current physical and mailing addresses and to promptly notify us in writing of any change of address. If you choose to receive communications from us via e-mail, and our e-mail messages to you are returned as undeliverable, we will attempt to reach you at any alternate e-mail or postal address we have for you in our records. If paper or electronic correspondence is returned to us as undeliverable at the addresses we have for you, we are not required to continue to attempt to send paper or electronic mail to bad addresses. If you fail to notify us of a change in your physical or mailing address, we may charge a Bad Address fee (locater fee) shown on our current Fee Schedule.

## J. Prohibition on Illegal Activity

You agree not to use any Credit Union products, devices or services to conduct illegal transactions. We have the right to refuse to conduct transactions initiated on your accounts if we reasonably believe them to be illegal, such as illegal internet gambling transactions, but we have no obligation to determine the legality of transactions you initiate. You cannot use the actual or alleged illegality of authorized transactions as a defense to your obligation to pay amounts you become indebted to us as a result of those transactions.

## K. Privacy and Information Disclosure

**Identification:** We reserve the right to verify your identity by any reasonable means before providing information to you.

**Parties to Your Accounts and Loans:** Owners are entitled to information about accounts on which they are owners. Obligors are entitled to information about loans they are obligated to pay. A person who has pledged real or personal property as collateral for a loan but is not obligated to pay is entitled to know whether the loan is current or goes into default and the steps required to cure the default. A person whom you have identified to us as an authorized signer (but not an owner) of your account or an authorized user (but not a borrower) on a credit line has the right to information about the account or credit line. Any person entitled to information can authorize release of information to third parties. If we have the written permission of such a person, we will release information consistent with that person's written instructions, even if we would otherwise be prohibited from doing so by law or our announced policy.

**Bundled Statements:** There may be situations in which some sub-accounts under a member number do not have identical owners or obligors. For example, a member might have a savings and checking account with a joint owner but an IRA under the member's name only and loan with the member and a co-obligor different from the joint owner on the savings and checking. We "bundle" periodic statements for most of our services, meaning that a single statement covers multiple accounts and loans maintained under the core member number. Bundled statements are addressed to the owners of the regular share savings account required to maintain membership or to the member who has met any other membership requirement established by the Board. The member and all other owners of accounts maintained under the member and all other obligors on loans maintained under the member number consent to the delivery of bundled statements, even though this may result in release of information about an account or loan to which the addressee is not a party.

**Pay-on-Death Beneficiaries:** Information about accounts is not released to pay-on-death beneficiaries until the death of all owners entitles the pay-on-death beneficiaries to the funds in the account.

**Former Owners and Obligors:** A former owner or obligor can obtain information about activity on the account she or he owned or the loan on which he or she was obligated that took place while he or she was an obligor or owner. For example, assume that A adds B as a joint owner of A's accounts on January 1, 2002, and B is deleted as a joint owner of A's accounts on December 31, 2003. B can obtain information about activity on A's account that took place from January 1, 2002 through December 31, 2003 without A's permission. If B wants information about activity that occurred prior to January 1, 2002 or after December 31, 2003, B will need to provide the Credit Union with A's written permission or valid legal process such as a subpoena or court order.

**Third Parties:** Consistent with legal and regulatory requirements and our consumer information privacy policy, we generally do not disclose information to third parties about you or your accounts or loans. However, there are some exceptions, for example (a) when necessary to respond to valid legal process, (b) when necessary to carry out transactions you request, (c) when necessary to enforce obligations to us, (d) when necessary to comply with the law or valid government agency information requests, (e) when necessary to investigate claims of unauthorized use of your accounts or loans, or (f) to credit bureaus and merchants confirming the existence and status of your accounts and loans. This is not an exhaustive list of situations in which we may release information about you or your Credit Union accounts or loans to third parties. Please refer to our separate Privacy Policy for more information on our privacy policy and practices.

**Tax Reporting:** We comply with tax reporting requirements, including but not limited to reports to the Internal Revenue Service of earnings on your accounts, interest collected from you on real-estate secured loans, and discharged debt. We do not provide tax advice.

## L. Record Retention .....

We are not required to retain or provide to you or third parties any records on any account, loan or other



activity you have with us beyond any time limit imposed by applicable law or regulation.

We suggest that you retain agreements and disclosures governing the services you obtain from us, including any change-in-terms notices you receive, until you no longer have the related service.

### **M. Your Responsibility for Reviewing Statements and Other Communications and Reporting Unauthorized Activity and Other Errors**

Keep track of all deposit and withdrawal transactions on your accounts and all advances and payments on your loans. We will send you periodic statements covering all transactions on accounts and loans you maintain with us. If you have loans, a checking account or electronic funds transfer activity, you will receive a monthly statement; otherwise we send statements quarterly. You agree that delivery of a periodic statement to the member on an account or loan constitutes delivery of the statement to all owners of the account and all obligors on the loan.

Promptly review and reconcile statements and other communications you receive from us and contact us if you have questions or concerns. Account activity can be monitored 24 hours a day via our free, secure Online Banking, which includes eAlerts for customizable notifications and 24 Hour Audio Response telephone banking services.

If you enroll in eStatements, we will notify you by e-mail when statements and other communications are available for retrieval on our secure web site and you are responsible for collecting them. If you enroll in eStatements you will have the responsibility for collecting your statements from our web site and we will be deemed to have delivered them as soon as they become available. We will have no liability or responsibility for communications that you do not retrieve or that are lost, damaged or mis-delivered by the U.S. mail or other third party delivery service.

If you do not receive an expected statement, contact us promptly to request a copy and to ensure that we are sending statements to the correct address. eStatements can be retrieved on our website going back several months. The Online Banking System will tell you the exact number of months. If you have difficulty receiving eStatements, contact us so that we can take the steps necessary to get your statements to you.

If you have a checking account or a credit line that allows you to write special checks to obtain loan advances, we do not send canceled checks with your periodic statement. However, we retain electronic copies of all checks you write for the period required by law and will provide check copies to you upon request. Refer to the Fee Schedule for document copy fees.

**Unauthorized Signature or Alterations on Checks:** Keep track of all transactions you initiate on your accounts and credit lines. If you suspect that a check drawn on your account or credit line was altered (such as by changing the payee name or the dollar amount of the check) or forged, notify us, in writing, within 30 days of the mailing or electronic delivery date of the statement on which the item first appeared. Tell us all the information requested under WHAT TO TELL US IN CASE OF ERROR OR INQUIRY at the end of this Handbook. If you do not tell us within 30 days (60 days in the case of a check written for an advance on a line of credit), we will not be responsible for the forged or altered item. We operate in an automated check-processing environment and it is not feasible for us to physically examine checks that clear. For this reason, we are, as allowed by law, altering the provisions of the Commercial Code regarding the amount of time you have to report forged or altered checks.

**Other Errors or Inquiries (Excluding Credit Lines and EFTs):** Notify us in writing within 30 days after we send you the first statement on which the error, unauthorized transaction or other problem appeared. Tell us all the information requested under WHAT TO TELL US IN CASE OF ERROR OR INQUIRY at the end of this Handbook.

**Credit Lines and EFTs:** For loans and lines of credit, please refer to the governing credit agreement or billing statement for specific rules regarding unauthorized use and billing error claims. Your periodic statements will also summarize error resolution procedures for loans and EFTs. Further error resolution information is located in section X of this handbook.

Your failure to notify us within the stated time frames may result in your sharing any loss with us or bearing the entire loss, depending on the circumstances.

We will investigate all claims and other inquiries. You agree to provide reasonable cooperation we lawfully request in connection with our investigation, including completing affidavits under penalty of perjury confirming your claim or filing a crime report with a law enforcement agency, if your claim relates to a forged, altered or otherwise unauthorized transaction.

If we correct any error or accept any responsibility for a transaction, our crediting your account will result in an automatic assignment to us of the right to collect the transaction amount from anyone else who is responsible. In consideration for our crediting your account, you agree to provide reasonable assistance that we or any subrogee of ours requests in pursuing a claim against the responsible party.

Our liability for any errors or unauthorized transactions will be limited to the actual damages, which is the amount of the error or unauthorized transaction. We will not be liable for consequential damages such as alleged harm to your credit standing, unrealized profits, emotional distress, or punitive damages.

## **N. Meeting Your Obligations**

We strive to offer our member-owners high returns on savings and the lowest possible rates on loans, taking market considerations, safety and soundness concerns, and business needs into account. To make this possible, you must meet your obligations to us in a timely manner.

You agree to comply with the terms of agreements governing the Credit Union services you receive.

You agree to be honest with us about your financial circumstances. You agree not to omit any material information from applications for Credit Union services. You agree not to request or use credit if you have reason to believe you will be unable to make the required payments.

You will not allow your accounts to fall below a zero balance. If you do inadvertently overdraw any Credit Union account or otherwise incur a negative balance and you do not have an Overdraft Protection Plan in effect, you agree to restore any negative balance immediately upon our demand.

You will be responsible for all items deposited to your accounts. If a deposited item is returned unpaid, the amount of the item plus the Returned Deposit Item shown on the fee schedule will be deducted from the account of deposit, and you will be responsible to immediately restore any resulting negative balance.

Your failure to handle your checking account properly may result in our reporting you to consumer reporting agencies that monitor checking account abuse, and this report could impair your ability to obtain checking services.

Your failure to meet loan obligations may be reported to consumer reporting agencies, and this report could adversely affect your credit standing.

You agree that our Right of Offset (Section V.O) applies to any amount you owe us that you do not pay according to your agreements with us. If we cannot recover your indebtedness by exercising our Right of Offset, you agree that our right to recover Collection Costs (Section V.P) applies.

## **O. Our Right of Offset**

If you owe us money, whether on a loan, because an item you deposited was returned unpaid causing a negative account balance, or for any other reason, and you fail to pay what you owe us consistent with your agreement with us or upon our lawful written demand, you agree that we can take any Credit Union shares in which you have an ownership interest (unless prohibited by law or the share agreement) to recover all or part of what you owe us without further notice to you. On joint accounts, our right of offset applies to all funds in the account if any owner of the account is in default on a payment obligation to us. We are not subject to agreements between or among joint owners regarding ownership of funds in joint accounts. If we exercise our rights under this provision, you agree that we are not electing a remedy or waiving our rights to take other lawful action to collect any amount you still owe us. This consent is in addition to any equitable right of offset or right we have to impress a lien on shares under the California Financial Code or other applicable law.

## **P. Collection Costs**

If you do not pay your obligations to us as agreed or upon our lawful written demand, you agree to pay reasonable costs we incur in attempting to collect what you owe before we take legal action, such as repossession costs. If we have to take legal action to collect money you owe us or damages we are entitled to under the law (such as statutory damages imposed for writing bad checks), you agree to pay our reasonable attorney's fees and costs of the legal action in addition to what you owe us. You will pay our attorney's fees whether the legal action we take is a collection lawsuit, a proceeding to protect our interests if you become a bankruptcy debtor, an appeal, a judicial or non-judicial foreclosure, or another type of legal action. Collection costs will bear interest at the contract rate (in the case of costs incurred to collect loans you have obtained from the Credit Union) or the legal rate (in the case of costs incurred to collect other money you owe the Credit Union).

## **Q. Discontinuation of Services**

We can close accounts for any lawful business reason by sending you at least ten days' advance written notice at your last known address. Any closing of your accounts will not affect our handling of regular transactions prior to the notice, provided that sufficient funds are available to handle them. If you have had no account or loan activity with the Credit Union for ninety days and your combined Credit Union account balance is under \$5, we may terminate all Credit Union services you have at our option. If your Credit Union services are terminated solely due to inactivity, you may reinstate your membership to active status by meeting minimum balance and activity requirements.

We can terminate borrowing privileges on credit lines consistent with applicable law by providing any notice required by law. Refer to your credit agreements for further details.

Reasons we can discontinue services, with or without notice, include but are not limited to (a) your failure to provide available funds sufficient to cover your debit transactions, (b) your failure to keep loan payments current, (c) misuse of your accounts for check kiting, deposit of invalid items, or other unlawful purposes, (d) filing of a bankruptcy petition by or against you, (e) your failure to observe the conditions of any other agreement with us, (f) your failure to provide a valid U.S. taxpayer identification number or certificate of exemption, (g) our receipt of a notice from the Internal Revenue Service that the taxpayer identification number you have given us is not valid or that you are subject to backup withholding, or (h) any reason listed under "Grounds for Expulsion from the Credit Union or Denial of Services" (Section V.R).

If we receive notice that the sole owner of an account is deceased, we will cease to honor transactions initiated on that account. We may, however, depending on the circumstances, honor disbursement instructions from any named pay-on-death beneficiary(ies), any person(s) appointed by a court as executor(s) or administrator(s) of the deceased owner's estate, or any person(s) claiming to be successor(s) of the deceased owner under laws governing administration of small estates.

If we receive notice that the sole owner of an account has been declared legally incompetent, we will cease to honor transactions initiated on that account, unless initiated by a person holding a power of attorney on the account that survives the legal incompetence of the owner or a court-appointed conservator or guardian for the owner.

If we receive competing instructions from persons claiming an interest in the account of a deceased or incompetent owner, we may freeze the account until we receive consistent written instructions from all claimants or a court order directing disbursement of the account.

You may terminate your Credit Union services at any time by notifying us orally or in writing, depending on the type of request.

Termination of Credit Union services by you or by us will not relieve you of any obligations incurred prior to termination. We may require you to maintain your membership while you are paying off your outstanding obligations to us.

## **R. Grounds for Expulsion from the Credit Union or Denial of Services**

We can expel you from the Credit Union or, alternatively, deny your Credit Union privileges except the right to maintain a regular share savings account and vote if (a) you fail to meet your obligations to us, (b) you cause us a loss in any way (including but not limited to un-restored negative account balances, discharge of Credit Union debts in bankruptcy or loan charge-off), (c) you fail to comply with our Member Conduct (d) you are convicted of a crime of moral turpitude involving your business with us, or (e) we learn after establishing your membership that we relied on false information in determining your eligibility.

## **S. Fees and Recovery of Costs**

Our current Fee Schedule details our fees for general and account-related services and is incorporated into this Handbook by reference. Fees may include, by way of example only, maintenance fees, transaction fees, minimum balance charges, dormant (inactive) account fees, levy processing fees, escheat handling fees, and locator service fees. To the extent fees related to default of your agreements with us exceed our actual costs, they are considered damages.

Credit Union loans are also subject to fees and charges. Loan-related fees and charges are disclosed in the applicable credit agreement.

If we receive valid legal process requiring us to provide records about your accounts or loans and the party requesting the information is not required by law to pay for our costs of providing the information, we will recover our costs of complying with the legal process by deducting them from any account in which you have available funds. The Fee Schedule includes our current legal process charges.

Fees may be added or changed by legally required notice to you.

## **T. CO-OP Shared Branch Network**

For your convenience, we participate in the CO-OP Shared Branch network. This allows you to conduct many UNCLE Credit Union loan and account transactions at financial centers of other participating credit unions. Your use of CO-OP Shared Branches is subject to the rules of the financial center(s) you use, including security or identification procedures and transaction limitations. Some CO-OP Shared Branch transactions may be subject to fees of which you will be notified at the time. If you abuse your CO-OP Shared Branch privileges, we may revoke them with or without notice.

## **U. Avoiding "Phishing" and Other Account Security Compromises**

In handling your service requests and inquiries, we may, in your exchange of telephone calls or e-mails with our staff, ask you to provide limited personal information so that we may confirm your identity for security purposes. For example, if you call us with a question, we will need your name and account number to assist you, and we may ask for your mother's maiden name or the last four digits of your social security number to

confirm your identity.

However, we will never send you unsolicited e-mail or telephone you asking you for confidential personal information such as your social security number, account number, or confidential PIN. We already have this information and will not need it when contacting you. **If you receive a telephone call, e-mail or other request that appears to be from us asking for this type of information, do not provide the information requested.** We also ask that you notify our Credit Union immediately at the telephone number at the end of this Handbook so we can investigate the matter. Remember that by voluntarily providing account access information to third parties, you authorize them to conduct business on your accounts and may be liable for transactions they initiate.

## **V. General Provisions**

This Agreement is made in Alameda County, California. We can delay exercising our rights under any agreement we have with you without waiving them. If any provision of this Handbook is adjudicated to be void, voidable or unenforceable, it will be deemed amended to the extent necessary to render the provision enforceable consistent with its intent. If the provision cannot be so amended, it will be deemed deleted and the remaining provisions will continue in effect.

## **W. Consent to Receive Calls**

You agree to consent to receive autodialed, pre-recorded, or artificial voice calls and messages, like information alerts or telemarketing calls from or on behalf of UNCLE Credit Union at any telephone number(s) provided during the membership application process, or at any number you provide to the credit union in the future, including your wireless number, if applicable. In addition, it is your responsibility to inform UNCLE Credit Union if your phone number(s) change. You have the right to opt-out or revoke consent at any time by contacting the Credit Union.

## **VI. YOUR CREDIT UNION ACCOUNTS**

### **A. Your Earnings and Payment of Dividends**

Credit Union accounts are share accounts and, as such, they represent an ownership interest in the Credit Union. In contrast, bank deposits are loans to the bank on which the bank pays interest. The earnings on your Credit Union accounts are called "dividends." Our competitive dividend rates are set by the Board, taking into consideration our cost of funds, market conditions and other factors. See the current Truth in Savings Disclosure for dividend rates and annual percentage yields (APY) on our accounts.

Not all Credit Union accounts earn dividends; refer to the current Truth in Savings Disclosure. On dividend-bearing accounts, dividends are paid out of current income and available earnings after required transfers to reserves at the end of the dividend period; they cannot be guaranteed. Except for fixed-rate certificate accounts, dividend rates and corresponding annual percentage yields (APYs) are not set in advance and can be changed by the Board at any time. The Board may also change dividend cycles at any time.

The current Truth in Savings Disclosure includes dividend rates and APYs, dividend cycles, dividend calculation methods and other information about earnings and costs associated with your Credit Union accounts. Your periodic account statements will also disclose the dividend rate, APYE (annual percentage yield earned), and fees for each dividend-bearing account you maintain.

### **B. Ownership of Accounts, Joint Account Ownership, and Pay on Death Beneficiaries**

A member owns all accounts established under his or her member number.

An account on which only the member is an owner is called an individual account.

Accounts may, unless prohibited for the account type, have more than one owner. Such accounts are called joint accounts. At least one owner of each Credit Union account must be a member. On any joint account, each owner owns all funds in the account, including paid dividends, with right of survivorship. "Right of survivorship" means that when one owner dies, the funds are automatically owned by any remaining owner(s) of the account. We do not allow other forms of account ownership, such as community property or tenancy in common. We are not subject to agreements between or among account owners of joint accounts as to entitlement to the funds. Any dispute among owners of joint accounts regarding entitlement to funds must be resolved among the owners without our involvement.

Each owner of a Credit Union account will be subject to review of his or her financial institution history and must satisfy our Customer Identification Program requirements.

Any owner may deposit or withdraw any amount in any account of which he or she is an owner. Once any owner withdraws funds from an account, the right of all other owners to the withdrawn funds terminates.

Once funds are deposited to a joint account, they become subject to joint ownership with right of survivorship.

Any owner may pledge funds in his or her account as security for a loan, unless the account is prohibited from being pledged. For example, checking accounts and IRAs may not be pledged as security for loans.

If any owner becomes indebted to us and does not meet his or her payment obligation, funds in any account of which he or she is an owner will be subject to our Right of Offset (Section V.O).

Owners may designate pay-on-death beneficiaries ("POD beneficiaries") on most Credit Union accounts, although they are not permitted on fiduciary or entity accounts.

Under the laws of some states, a married person may open an account with joint owners or POD beneficiaries other than his or her spouse without the consent of his or her spouse. The person opening the account is responsible for complying with state laws regarding spousal consent and the Credit Union will have no duty to investigate. At the death of a married person, a non-owner surviving spouse may assert claims against funds in the account that will affect surviving owners' or POD beneficiaries' claims to the funds.

If the member on a joint account dies and the surviving owner is not a member, the surviving owner must close the account. If the surviving owner is a member or is a joint owner of accounts with another Credit Union member, the surviving owner may transfer the funds to another Credit Union account on which he or she is the member or a joint owner. However, an account may not remain open when the member whose member number is on that account dies.

If a non-member owner of a joint account dies, the surviving member may keep the account open.

If an account names no POD beneficiaries, funds pass at the owner's death to that person's estate.

On an individual account with a POD beneficiary, at the death of the member, funds in the account pass, outside of any probate, will or trust of the member, to the POD beneficiaries, in equal shares unless the Membership Application specifies a different percentage. On joint accounts with POD beneficiaries where the last surviving owner is the member, funds will pass at the death of the member to the designated POD beneficiaries in equal shares unless the Membership Application specifies a different percentage. On joint accounts with POD beneficiaries where the member dies prior to the other owner(s), the preceding paragraph requiring transfer of the funds to another account of the joint owner or closing of the account will apply and the right of the POD beneficiaries to the funds will terminate.

Until the death of all owners, POD beneficiaries have no right to or interest in the funds in accounts on which they are designated, no ability to control disposition of the funds, and no right to information about the accounts. Funds will not be disbursed to any POD beneficiary until the POD beneficiary has been identified and subject to screening required by law, such as screening against lists maintained by the Federal Office of Foreign Assets Control.

To add new owners of your accounts, you must complete an updated Membership Application, which must be signed by you and the new owner(s). The new owner(s) must satisfy our financial review and Customer Identification Program requirements.

To remove owners of your accounts, either all current owners must consent in writing to the change, or the account must be closed and reopened under a new member number. Non-member owners cannot close and then reopen Credit Union accounts under a new member number unless they are eligible, apply and are approved for membership.

POD beneficiaries may be added, changed or removed at any time an account is open. To add, change or remove POD beneficiaries, all owners must sign an updated Membership Application. Alternatively, any one owner who is a member may close and reopen the account under a new member number and designate new POD beneficiaries.

The most recent Membership Application on file with us will govern ownership and POD beneficiaries on your account(s) under that member number. For example, if your original membership application designated a POD beneficiary but your most recent updated membership application does not name a POD beneficiary, we will assume that you want funds to pass to your estate at your death.

You can ask us about ownership and POD beneficiary status of your accounts at any time.

Although funds transfer automatically at death to any designated POD beneficiaries, a representative of a deceased owner's estate will be entitled to information about transactions on the account prior to the owner's death, including the account balance at the time of death and the identity of POD beneficiaries.

Any disputes among owners, POD beneficiaries or third parties regarding rights to funds in your accounts must be resolved among the claimants without our involvement. Upon request by any owner or agent on an account, we will freeze funds in the account until we receive consistent written instructions from all owners and agents regarding disposition of funds in the account.

## **C. Fiduciary Accounts**

## 1. General Information and Provisions of Fiduciary Accounts

We may offer fiduciary accounts for trusts, conservatorships, guardianships, estates, Coogan Trusts, Uniform Transfers to Minors and social security representative payees. These accounts require separate applications and may be subject to additional documentation requirements. For more information about fiduciary accounts, please ask a Credit Union representative.

In general, if a person is already a member, the following fiduciary accounts may be established under his or her member number:

- a. A revocable trust account where the member retains the power to revoke the trust or where the member is the beneficiary.
- b. A conservatorship account where the member is the conservatee (incapacitated adult).
- c. A guardianship account or Coogan Trust where the member is the ward (child).
- d. A Uniform Transfers to Minors Act account where the member is the minor beneficiary.
- e. A social security representative payee account where the member is the beneficiary.

You should request separate member numbers if you wish to hold some accounts in a fiduciary capacity and others in a non-fiduciary capacity. For example, some individuals with revocable trusts prefer to maintain their checking accounts outside their trusts.

If an owner appoints an attorney-in-fact using a valid power of attorney, that attorney-in-fact will, upon request to us, be added to the owner's account(s) with the designation "POA," consistent with the powers enumerated in the power of attorney document. Unless the power of attorney limits the attorney-in-fact to specific transactions that we can monitor, the attorney-in-fact will be able to conduct all transactions on the account that the owner can conduct. The attorney-in-fact will not acquire joint ownership of the account. Appointment of an attorney-in-fact will not change the ownership of the account. Appointment of an attorney-in-fact will not relinquish the owner's control of the account, unless both (a) the power of attorney document states on its face that it will continue after or has come into effect as a result of the owner's legal incapacity and (b) we receive documentation specified in the power of attorney confirming the owner's legal incapacity.

If we permit an irrevocable trust account, a separate membership must be established for the trust. Estate accounts require a separate membership.

If a fiduciary wishes to establish an account for a beneficiary who is in our field of membership but not a member, either (a) the beneficiary must apply for membership or (b) if the beneficiary lacks legal capacity, the fiduciary must apply for membership on the beneficiary's behalf. The assigned member number will be that of the beneficiary, not the fiduciary. Minors and persons declared incompetent by a court are examples of persons who lack legal capacity.

A fiduciary who is already a member may establish a fiduciary accounts where he or she is also the beneficiary of the fiduciary relationship (common with revocable trusts) without reapplying for membership, although a new member number associated with the fiduciary account must be obtained.

All fiduciary accounts are subject to Customer Identification Policy requirements.

Other than accounts with POAs, on which both the owner(s) and the fiduciary retain control unless otherwise stated in the POA documents, fiduciary accounts will be subject to the control of the persons named as current fiduciaries under the governing trust agreement or court order. In general, more than one person can act as fiduciary at the same time, though this is prohibited on Uniform Transfer to Minors accounts.

We cannot and do not monitor compliance with express or implied multiple signature requirements in trust agreements, powers of attorney, court orders or similar documents. Any fiduciary(ies) are responsible for complying with multiple signature requirements and expressly agree to defend, indemnify and hold us harmless from any claims, damages, losses, liability or expenses resulting from non-compliance with multiple signature requirements.

We reserve the right to refuse to open fiduciary accounts if we have reason to believe we will be unable to comply with requirements imposed by court orders or other documents establishing the fiduciary relationship.

Fiduciaries agree to comply with all terms of all Credit Union agreements governing services provided to the beneficiaries of their fiduciary relationships.

Fiduciaries agree to defend, indemnify and hold us harmless from any claims, damages, losses, liability or expenses resulting from the manner in which they handle the proceeds of fiduciary accounts, unless we fail to comply accurately with instructions provided by fiduciaries. If we do fail to comply accurately with instructions of fiduciaries, our liability will be limited to actual damages not to exceed the amount of the

transaction. We do not act as a fiduciary or monitor fiduciaries' compliance with their legal duties to the beneficiaries of fiduciary relationships.

Standard Overdraft Practices and Overdraft Protection Plans are available on fiduciary accounts.

## **2. Terms Specific to Uniform Transfer to Minors Accounts**

To open a California Uniform Transfers to Minor Act (UTMA) account, a special UTMA Account Card and Agreement ("UTMA Agreement") must be completed. The person making the gift to the minor is called "Transferor." In some cases (such as when a court awards money to a minor) a UTMA may be established without a Transferor. The application must designate a First Custodian to handle the funds for the minor's benefit. The First Custodian may be the Transferor or another adult. A Successor Custodian is permitted but not required to be named on the UTMA Agreement. The First Custodian named on the UTMA Agreement and (if any) Successor Custodian agree that the California Uniform Transfers to Minors Act (UTMA – California Probate Code Sec. 3900 et seq.) account will be subject to the following terms and conditions in addition to other provisions in this Handbook that apply to the type(s) of account(s) opened. The term "Current Custodian" refers to the Custodian who is acting as Custodian at any time the UTMA account is open. The term "UTMA Beneficiary" refers to the minor to whom the gift is made.

- a. The Current Custodian will hold all of the proceeds in the UTMA account, including dividends and subsequent additions to the account, in accordance to the California UTMA for the UTMA Beneficiary. Any funds placed in the account shall be an immediate irrevocable gift to the UTMA Beneficiary.
- b. Only one custodian (the Current Custodian) is permitted on the account and, even then, only until the UTMA Beneficiary reaches the age specified on the UTMA Agreement. The Current Custodian shall be (i) the first custodian signing the UTMA Agreement (the "Custodian") or, if the Custodian resigns, dies, or becomes incapacitated before the UTMA Beneficiary reaches the termination age specified in the account, (ii) (aa) the Successor Custodian designated by the Transferor, or, if the Transferor named no Successor Custodian (bb) the Successor Custodian designated by the First Custodian, or (cc) if no Successor Custodian has been designated by the First Custodian, the Successor Custodian designated according to the UTMA. The UTMA allows appointment of Successor Custodians in the absence of a designation by the Transferor or the Current Custodian, as follows: If the UTMA Beneficiary is at least 14 years old, the UTMA Beneficiary may name a parent, a family member, a court-appointed guardian, or a trust company as Successor Custodian. If the UTMA Beneficiary is under 14 or fails to designate a Successor Custodian within 60 days of the death, resignation or incapacity of the last designated Custodian, the UTMA Beneficiary's parent or court-appointed guardian will generally become custodian. If the UTMA Beneficiary has no parent or court-appointed guardian, an interested party (such as the Transferor or an adult relative of the UTMA Beneficiary) may petition the court to appoint a new Custodian.
- c. Only the Current Custodian can withdraw funds from the account and, even then, solely on behalf of the UTMA Beneficiary. If the account is established by court order indicating that no withdrawals shall be made until the UTMA Beneficiary reaches a specific age unless the court later orders otherwise, a copy of the court's order must be provided to the Credit Union, and the Current Custodian agrees to comply with the terms of the court order. The Current Custodian agrees to defend, indemnify and hold the Credit Union harmless from any claim or liability to any person as a result of any alleged or actual improper withdrawal from the account or other failure to comply with the order of a court regarding the account.
- d. The Current Custodian may at any time change the designation of Successor Custodian by notifying the Credit Union and completing any documentation required by the Credit Union.
- e. The Current Custodian agrees to expend for the exclusive benefit of the UTMA Beneficiary as much of the funds in the account as the Current Custodian, in his or her sole discretion, finds advisable for the support, maintenance, education and benefit of the UTMA Beneficiary, without regard to the duty or ability of anyone to support the UTMA Beneficiary and without regard to any resources which might be available for such support.
- f. The account shall terminate automatically when the UTMA Beneficiary reaches the age specified in the UTMA Agreement. The age election made when the account is established is irrevocable and is governed by the UTMA. When the account terminates, (i) the Current Custodian agrees to execute any document(s) required by the Credit Union to release the funds to the UTMA Beneficiary, and (ii) the UTMA Beneficiary must direct the Credit Union in writing as to the disposition of the funds.
- g. The age specified for termination of the account must be either eighteen (18) or twenty-one (21), unless the account arose because of a transfer of funds by a will, trust or exercise of a power of appointment. If the account arose because of a transfer of funds by a will, trust or exercise of a power of appointment, then prior to or upon signing the UTMA Agreement, the Custodian must provide the Credit Union with a copy of the document specifying the age of the UTMA Beneficiary when the account will terminate, and the Custodian must indicate the termination age on the UTMA Agreement. In no event will a UTMA account continue beyond the UTMA Beneficiary's reaching any age specified by the UTMA.

- h. If the UTMA Beneficiary dies before reaching the age specified in the UTMA Agreement, the funds shall be a part of the estate of the UTMA Beneficiary and distributed in conformity with the law. The Current Custodian agrees not to withdraw funds from the account following the death of the UTMA Beneficiary unless court approval for distribution of the account to the UTMA Beneficiary's estate has been obtained and a copy of the court's approval provided to the Credit Union.
- i. The Current Custodian waives the right to compensation for serving as custodian of the account.
- j. All transactions respecting the account shall be governed by the Credit Union bylaws and procedures as well as the UTMA and other applicable laws.
- k. The Current Custodian agrees to defend, indemnify and save the Credit Union harmless from any suits or liability directly or indirectly resulting from the Credit Union's handling of the account consistent with written instructions of the Current Custodian.
- l. The Credit Union has the right to refuse to honor the Current Custodian's instructions if they are uncertain, the signature appears not to be authentic, or the Credit Union has other reason to believe that complying with the instructions may cause the Credit Union a loss. In such event, the Credit Union shall notify the Current Custodian of that fact in writing.

#### **D. Escheat/Unclaimed Propert**

In general, if for three years (or the period called for by your state law if the address we have for you in our records is outside California), you initiate no communication with us, you do not log into Online Banking, and there is no activity on any Credit Union account of yours other than posting of dividends and deduction of fees, any account balances you have will be deemed abandoned and subject to forfeiture to the State of California (or your state of residence in our records). We will mail you notice required by applicable law that your funds will be subject to escheat if you do not contact us.

#### **E. Deposits and Withdrawals**

##### **1. Making Deposits**

Deposits may be made to accounts (1) by ACH credit entry (such as direct deposit of net pay), (2) in person at Credit Union financial center or CO-OP Shared financial center, (3) by mail, (4) by incoming wire transfer, (5) at ATMs owned and operated by UNCLE Credit Union or ATMs on networks we designate from time to time, (6) at remote Credit Union deposit drops, or (7) by remote deposit capture.

Payroll deduction refers either to a deduction from your pay via the ACH system to pay your Credit Union loans, or to a deduction from your pay deposited via ACH to your accounts with the Credit Union. You can request payroll deduction loan payments when you apply for a loan or any time thereafter by contacting the Credit Union Loan Department. Payroll deduction loan payments are credited immediately to make your loan payment; they never become available to you for withdrawal. Payroll deduction deposits become available to you for withdrawal when we receive them.

##### **2. Remote Deposit Capture**

Remote Deposit Capture (RDC) allows you to make check deposits to your Credit Union savings and/or checking (share draft) accounts from remote locations by scanning both sides of checks and delivering the check images and associated deposit information to the Credit Union. You can use our Mobile Banking Application. Refer to our eDeposit Service Terms and Condition located at [www.unclecu.org](http://www.unclecu.org).

##### **3. Making Withdrawals**

Withdrawals can be made (1) in person at Credit Union financial centers or at CO-OP Shared Branches, (2) by writing checks on Checking or Money Market Accounts, (3) by authenticated telephone request (4) by Audio Response Telephone Banking or Online Banking request to mail a check payable to you at your address in the Credit Union's records, (5) by Online Bill Pay, (6) by preauthorized one-time or recurring ACH debit transfer, (7) by authenticated wire transfer request, (8) at designated network ATMs, (9) by using your UNCLE Debit Card at designated point-of-sale terminals and participating Mastercard® merchants, or (10) by giving your UNCLE Debit Card number and expiration date to a payee such as a health club or utility company and authorizing them to deduct recurring payments.

##### **4. Transferring Funds Among Accounts**

Funds may be transferred among accounts you maintain at the Credit Union in person, by authenticated telephone request, at ATMs, by using Audio Response telephone banking or Online Banking. EFT transfers between accounts may be limited, or may not be available on all account types.

##### **5. Distribution of Direct Deposit of Net Pay or Other Regular Income**

If you have direct deposit of net pay or other regular income such as social security direct deposit, you can give us written instructions as to how to distribute the funds among your accounts/shares/loans. Establishing a distribution requires 5 business days' notice and is subject to verification. After a primary distribution account is designated, subaccounts can be added for additional distribution instructions. Once the written instructions are validated and established future direct deposits will post immediately to the



accounts designated in your instructions. If the amount of your direct deposit received by the Credit Union increases or decreases and you have not given us contrary instructions, the following will occur: (a) An increase will result in the excess going to the account designated as the primary, (b) a decrease in the amount will result in a decrease to the account designated as the primary first then the subaccounts (if applicable). The Credit Union will not be responsible for any shortages that could result in other payments and/or transfers to occur which may result in late payments to any other accounts either here or at another institution.

You can change your distribution instructions at any time by written notice to the Credit Union. Changes must be made no less than 5 business days prior to the next direct deposit related to the established distribution.

## **6. Opening New Accounts**

If you already are an established member, you can open most types of Credit Union subaccounts by authenticated telephone request, by visiting one of our financial centers, or by using Online Banking to open the account and transfer the funds. Some new account types (IRA and fiduciary) require special applications.

## **7. Deposit Restrictions**

We impose no limit on the number or dollar amount of deposits you may make on any type of account except Certificate Accounts (refer to the Truth in Savings Disclosure). Federal tax laws limit amounts that may be deposited to IRAs and similar special purpose accounts that enjoy favored federal tax treatment; such as health savings accounts and 529 college savings plans; consult a tax advisor. We do not give advice about potential tax implications or penalties that could result from your deposits to tax-favored accounts.

We may refuse to accept for deposit checks or other items that are stale-dated (more than six months old), lack proper endorsements, appear to have been altered, or are not made payable to you. However, we have no obligation to refuse items presented for deposit to your accounts and will not be liable to you for accepting items presented for deposit to your accounts.

## **8. Endorsements on Non-Cash Deposit Items; Right to Supply Missing Endorsements**

In general, we have the right to supply missing endorsements on non-cash items as long as the items are deposited to accounts of persons to whom they are payable. We also have the right, but not the obligation, to refuse to accept for deposit items that are not properly endorsed.

**Items Payable to You Alone:** We can accept these items for deposit to any account of which you are an owner in our records, whether or not you have endorsed the item, and whether the account to which it is deposited is shown on our records as a joint account or a single owner account.

**Items Payable to You or One or More Other Persons:** We can accept these items for deposit to any account of which one of the payees is an owner in our records, regardless of whether any of the payees has endorsed the item and whether the account to which the item is deposited is shown in our records as a joint owner or single owner account. Items with more than one payee on which it is ambiguous as to whether the item is payable in the alternative (or) or only to all payees together (and) are considered payable in the alternative.

**Items Payable to You and One or More Other Persons:** We can accept these items for deposit to any account on which you and all the other payees are joint owner in our records, regardless of whether any of the payees have endorsed the item. If all payees have endorsed the item for deposit to an account that any payee has with us, we can accept the item for deposit to that account even though all payees are not owners of the designated deposit account.

**Items Not Payable to You:** If an item is not payable to you but has been endorsed over to you by the payee on the face of the item, we can refuse the right to accept the item for deposit to your account or require that the payee's financial institution provide an endorsement guarantee.

## **9. Your Responsibility for Deposited Items**

You agree to defend, indemnify and hold us harmless from any claims, losses, liability, damages, or expenses we incur as a result of accepting an item for deposit to your account, unless we fail to exercise ordinary care under the circumstances in accepting the item. We operate in an automated processing environment and do not physically examine items deposited to your accounts unless you deposit them in person to a Credit Union teller. You agree to examine items you wish to deposit and bring to our attention any evident irregularities, such as obvious alterations or missing drawer signatures. You will be responsible for and hold us harmless from any losses or costs we incur as a result of the deposit of items that are irregular on their face into an automated deposit processing environment such as an ATM.

*Our making funds available to you from a non-cash deposit is **not** a guarantee or representation by us that the item deposited to your account will be paid.* All credits to your accounts, including credits for ACH entries and wire transfers, are provisional until we receive final payment from the paying institution.

If you are concerned about the validity of an item you want to deposit, you should contact the financial institution on which the item is drawn. No Credit Union employee has the expertise or authorization to give you an oral or written opinion or guarantee that an item you deposit will be paid. Should any Credit Union employee state orally or in writing that they believe an item you deposited will be paid, this should be interpreted only as that employee's guess and not as a guarantee by that individual or by us. If the paying financial institution lawfully returns an item you deposit, we will deduct the amount of the item from your account, even if you have already withdrawn the funds and even if the deduction results in a negative balance.

You must, upon our demand, immediately restore any negative balance that results from our deducting erroneous or uncollected deposits from your accounts. You also agree to pay upon demand any cost or loss we incur as a result of accepting items for deposit to your accounts. If you do not do so, you agree that our Right of Offset (section V.O) applies. If we cannot restore the negative balance by exercising our Right of Offset, you agree that our right to recover Collection Costs (section V.P) applies.

We urge you to exercise caution in entering into transactions or depositing items from unfamiliar sources as they may be fraudulent. If an item is deposited to your account from an unfamiliar source or in an amount you did not expect, delay withdrawing the funds even if we make the funds available to you. For the convenience of our members, our general policy is to make deposits available to established members promptly (see Funds Availability, section IX). You will be responsible to us for any loss we incur, such as a negative balance in your account, if you withdraw funds from a deposited item that is later returned unpaid, even if you had no knowledge that the deposited item was fraudulent.

#### **10. Deposit Errors and Returned Items**

If we receive an erroneous deposit, such as a duplicate direct deposit of net pay or a direct deposit of social security benefits after the payee's death, we can return the erroneous deposit to the payer and deduct the amount of the erroneous deposit from your account.

If you deposit an item that is returned unpaid, we will deduct any amount for which you have received provisional credit from your account.

We reserve the right to automatically redeposit NSF checks and other NSF items without notice to the parties.

You waive protest and notice of dishonor for deposited items that are returned unpaid.

Deductions for erroneous deposits or deposited items return unpaid may be made without prior notice, though we will notify you as soon as is reasonably practicable. Applicable fees may apply. Please refer to Fee Schedule.

#### **11. Backup Withholding**

We have the right to withhold from withdrawals any amounts required by federal tax laws, if we receive notice that you are subject to backup withholding or you fail to give us your correct taxpayer identification or social security number. You may be subject to tax penalties if you fail to give us your correct taxpayer ID number.

#### **12. Other Withdrawal Restrictions**

In addition to backup withholding, the following limits apply to withdrawals.

**Checking Accounts:** You may write as many checks and make as many transfers or withdrawals out of checking accounts as you wish, provided you have sufficient available funds or overdraft protection available from an Overdraft Protection Service (see section VI.P.9).

**Regular Share Savings and Money Market Accounts:** Consistent with Federal Reserve Regulation D, transfers and withdrawals out of savings accounts are limited. You may make as many withdrawals and transfers out of these accounts as you wish using these means: (1) in person; (2) by mail, (3) at an ATM, (4) by authenticated telephone request with a member service representative to mail a check payable to you at your address in our records. We call these "personal withdrawals." All other withdrawals or transfers out of these accounts (which we call "non-personal withdrawals") are limited to six per month. Examples of non-personal withdrawals include preauthorized automatic payments, such as for utility bills, transfer or payment requests submitted by 24 Hour Audio Response telephone banking or Online Banking, and Overdraft Protection Service transfers.

**Certificates and Holiday Club Accounts:** If funds other than credited dividends are withdrawn from a certificate account prior to maturity, the certificate will be closed and an early withdrawal penalty assessed. Holiday club account funds may not be withdrawn but will be automatically transferred at the end of November to either your regular share savings account or your checking account, as designated by you when you open the account. If a member withdraws funds from a holiday club account prior to the scheduled transfer date, an early withdrawal fee may be assessed.

You may not withdraw funds pledged as security for Credit Union loans without our written consent. If you do so, your loan will be considered in default.

## **F. Non-Transferability of Accounts**

All accounts are non-transferable. This means that if you want to change ownership of funds, you must withdraw them or change the ownership using a form acceptable to us.

## **G. Secure Funds: Federal Account Insurance**

Your accounts at UNCLE are federally insured up to \$250,000 by the National Credit Union Administration. Please refer to [www.ncua.gov](http://www.ncua.gov) for more information about federal account insurance.

## **H. Truth in Savings Disclosure and Fee Schedule**

The separate Truth in Savings Disclosure and Fee Schedule (which may be combined in a single document or printed separately) will be given to you whenever you open a new sub-account and provide current terms, including required balances, dividend rates and transaction limits. The effective date of each Truth in Savings Disclosure and Fee Schedule is printed on it. Your periodic statements will provide required information on established accounts, such as dividend rates, dividends earned, and fees assessed. You will receive notice required by law of any changes to rates, terms or fees on your accounts. In most cases, rate changes are reflected on your periodic statements only.

## **I. Summary of Products Offered**

The Credit Union offers a wide range of checking and savings accounts. They include our Regular Share Savings Account, which is required for UNCLE Credit Union membership, checking (share draft) accounts with different fee and service options, money market accounts that typically pay slightly higher yields than Regular Share Savings with the convenience of limited check-writing, and term share certificates that pay our highest yields.

## **J. Checking Accounts**

### **1. Grounds for Closing Checking Accounts**

We can close your checking account if, in our reasonable judgment, you have misused your checking privileges. Misuse of a checking account includes but is not limited to (a) failure to have funds or an Overdraft Plan available to cover debit transactions, (b) kiting, (c) deposit of invalid items, (d) bankruptcy or other insolvency proceedings, or (e) your failure to observe terms of other agreements you have with us.

### **2. Transactions**

We will make payments on current checks drawn on available funds in your checking account when signed by any person authorized on your Membership Application. You can also make deposits and withdrawals as explained in the Deposits and Withdrawals section of this Handbook (V.E). Debit Card purchases and cash advances, whether PIN or signature-based, are withdrawn directly from your checking account.

### **3. Check-Writing**

Use only checks ordered from us and printed by our authorized check printer or from a printer of your choice who will print checks in a form approved by us. Inspect all checks you receive for accuracy before using them. To reduce the risk of fraud, we suggest that when you write checks, use indelible ink and completely fill in the lines for the payee and the written dollar amount, drawing a line through any unused space. Date and sign checks you write. Destroy any spoiled checks. We reserve the right but do not undertake a duty to refuse to pay any check that is missing the payee's endorsement.

### **4. Stale-Dated Checks**

We are not obligated to pay any check on which the date is more than six months old, but we will have no liability of any kind to you if we do pay it.

### **5. Post-Dated Checks**

We will not be liable for paying post-dated checks unless you have provided a timely and valid stop-payment order and paid the required stop-payment fee. Requirements for stop-payment requests are given below. If we pay a post-dated check over a timely and valid stop-payment request, we will be liable only for your actual damages not exceeding the amount of the paid check.

### **6. Stopping Payment**

To stop payment on a check, you must notify us before we pay the check. We can instruct you to follow up any oral notice in writing and if you fail to do so within 14 days, the stop-payment request may lapse at our option. A written stop-payment request is valid for six (6) months, after which it will lapse unless you renew it while it remains in effect. We will process stop-payment requests promptly but will not be liable to you for failing to stop a check presented within 24 hours after we receive your request.

Check stop-payment requests must include your name, your account number, the check number, the EXACT dollar amount of the check, date of the check and the payee. We operate in an automated

processing environment and without this information we may not be able to locate the check to stop payment on it. We are not responsible for failure to stop a payment if you have not provided us with sufficiently accurate information to enable us to find the check and stop payment.

If we do not carry out a timely stop-payment, we are not required to reimburse you if the check discharged your valid obligation. If we do reimburse you, you assign to us all claims for the funds against the person who obtained the funds and you agree to cooperate with our efforts to recover the funds.

#### Other Transactions

You can also stop payment on certain types of EFTs, such as ACH payments and Online Bill Payments, if you notify us in time. Refer to the EFT section of this Handbook for details.

### 7. Overdrafts

If you do not have sufficient available funds in your checking account to cover items, but we pay the item anyway, an overdraft (a negative balance) will be created. While we provide these services for your convenience and as a way to help you avoid NSF transactions and associated fees, you are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM, or use your debit card for a transaction. We recommend that you keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you have authorized (such as outstanding checks or automatic bill payments you have authorized), as your available balance (discussed in more detail below) may not reflect all your transactions until they post to your account.

We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive NSF activity, and report the account to a consumer reporting agency.

#### Your Checking Account Balance

Your checking account has two kinds of balances: **the actual balance** and the **available balance**. Both can be checked when you review your account online, at a Credit Union-owned ATM, through automated telephone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains actual and available balances and how they work.

Your **actual balance** is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered available for transactions on your account. The actual balance is also referred to as: (a) your ledger balance on Credit Union ATM screens, (b) your balance in Online Banking and in Mobile Banking, and (c) your current balance when you use our automated telephone banking system. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending, while pending deposits that are subject to holds under our Funds Availability Policy will be reflected in the actual balance even though they are not yet "available."

While the term "actual" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect transactions that are pending but have not yet become final, such as any purchases, merchant holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you have a \$50 actual balance, but you just wrote a check for \$40, then your actual balance is \$50 but it does not reflect the pending check transaction. So at that point, you have an actual balance of \$50, but you have already spent \$40.

Your **available balance** is the amount of money in your account that is available to you to pay transactions at the time they post without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, we will place a "hold" on your account for \$20 (referred to as an "authorization hold"). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant's authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and your

actual and available balance will be reduced by the amount of the posted transaction.

We use your available balance to determine whether your account is overdrawn and whether Courtesy Pay Fees will be assessed. Your account is considered overdrawn when the available balance in your account is negative (less than \$0). In making this determination, we check your available balance at two separate times—first, at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If your available balance is insufficient for the merchant’s authorization request, we will decline the request. If your available balance is sufficient to cover a merchant’s authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant’s authorization request, and the available balance will be reduced by the amount of the authorization hold. If the transaction later “settles” and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge a Courtesy Pay Fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized. The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under the Courtesy Pay service, we will charge you a Courtesy Pay Fee of \$35, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge “settled” (i.e., posted to your account), we will charge you an additional Courtesy Pay fee of \$35, even though the restaurant transaction was authorized and approved with a sufficient available balance.

**YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT AND FOR OVERDRAFT PROTECTION SERVICE OR COURTESY PAY FEES TO BE ASSESSED, EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.**

This is because we check your available balance at two separate times as explained above, in addition to the fact that your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example, above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions, including but not limited to car rental transactions and international transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released. Refer to the section entitled “Authorization Holds for Debit Card Transactions” below for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Refer to our Funds Availability Policy for information regarding the availability for withdrawal of your deposits.

### **How Transactions Are Posted to Your Account**

There are basically two types of transactions in your account: credits (adding funds to your account) or debits (subtracting funds from your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits:** Most deposits are credited to your account when we receive them. For some checks you deposit, only \$200 will be made available at the time of deposit; the balance will be available as described in our Funds Availability Policy. There may be extended holds on checks over \$5,000. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, refer to our Funds Availability Policy.

**Debits:** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that debits are most often presented for payment by merchants, and the Credit Union is not in control of when transactions are received.

- **Check:** When you write a check, it is processed through the Federal Reserve system. We receive data

files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments in check number sequence, beginning with lower check numbers clearing first, followed by higher check numbers.

- **ACH Payments:** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH transactions for your account are grouped together and paid in the order presented to us in the data file. Credits are posted first, and then debits.
- **Point of Sale (POS) PIN Debit Card Transactions:** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- **Signature Debit Card Transactions:** These are transactions where you make a purchase with your debit card and you do not enter your PIN but you are instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. Please refer to the section below entitled "Authorization Holds for Debit Card Transactions" for additional information regarding such holds. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.
- **Online Banking Bill Payments:** You may use our Bill Payment Service through online banking. This service allows you to set up future automatic withdrawals to make payments for your various bills. These future payments are not reflected in your actual balance or available balance. These bill payments will be posted to your account on the day you have scheduled them.

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

### **Overdraft Protection Services**

You can establish Overdraft Protection Services for your checking account(s) by signing up for overdraft protection advances from a Credit Union open-end credit plan if available under the credit plan's terms, or by authorizing overdraft protection transfers from your regular share savings or money market account.

As long as you have sufficient available credit or available funds in your designated Overdraft Protection Service source(s) and are not in default on any of your obligations to us, the overdraft will be paid before we apply our discretionary Courtesy Pay services when a transaction would result in your account being overdrawn. These Overdraft Protection Services may save you money on the total fees you pay for overdraft protection. Once your applicable Overdraft Protection Service(s) are exhausted, if you are eligible for the Courtesy Pay services, your items will be paid under the Courtesy Pay services subject to a Courtesy Pay Fee.

If you establish more than one Overdraft Protection Service, we can choose the source(s) to access in any order.

**Overdraft Protection Credit Advances:** Overdraft Protection credit advances require that you apply for, be approved for, and open an open-end credit plan (credit card, personal line of credit or home equity credit line) and designate the open-end credit plan in writing as an Overdraft Protection Service. You can designate the open-end credit plan as an Overdraft Protection Service when you apply for the open-end credit plan or at any time by notifying us in writing that you want the open-end credit plan to be an Overdraft Protection Service. Any Overdraft Protection credit advance will begin to accrue finance charges as soon as it posts, and may be subject to an overdraft advance fee. Refer to the current Fee Schedule and the current version of the applicable credit plan agreement for details. Overdraft Protection credit advances will be in an amount sufficient to cover the overdraft and will not be available if making the advance would cause you to exceed the credit limit on the credit plan.

Overdraft Protection Account Transfers: Overdraft Protection transfers from regular share savings or money market accounts will be available only if you authorize them in writing on your Membership Application or another written document provided to us. No more than six overdraft protection transfers from your regular share savings account or money market account are permitted in any calendar month. Overdraft Protection transfers count toward the six-per month limit on non-personal transfers out of savings accounts (see Section VI.E.10 above.) Overdraft Protection account transfers may be subject to a transfer fee; refer to the current Fee Schedule. Overdraft Protection account transfers will be in an amount sufficient to cover the overdraft and will not be available if the transfer would cause you to fall below any required minimum available balance on the source account or would cause you to exceed applicable monthly transfer limits.

### **Covered Checking Debits**

Overdraft Protection Credit Advances or Account Transfers cover all debit transactions including checks, one-time and automatic recurring debit card transactions, Online Bill Pay payments, and electronic transfers and debits

(ACH).

Overdraft Protection Service Fees: Fees for Overdraft Protection Credit Advances or Account transfers, if any, are shown in the current Fee Schedule.

### **Courtesy Pay**

Courtesy Pay applies to checks and other transactions made using your checking account number, automatic bill payment, including electronic transfers and debits (ACH). Courtesy Pay will never be available in the following situations: (a) the transaction is an ATM transaction, (b) the transaction is an everyday debit card transaction. ATM transactions and everyday debit card transactions may only be paid with the Courtesy Pay Plus service.

### **Courtesy Pay Plus**

Courtesy Pay Plus applies to checks and other transactions made using your checking account number, automatic bill payment, including electronic transfers and debits (ACH), ATM transactions, and everyday debit card transactions. If you have not set up an Overdraft Protection Service or if neither funds nor credit are available under your established Overdraft Protection Service(s), we may, at our sole discretion, pay a debit transaction on your checking account that you do not have available funds to cover or return it unpaid for insufficient funds ("NSF"). Whether we pay the item or make an NSF return, a fee will be assessed (refer to the current Fee Schedule). Payment of items under Courtesy Pay and Courtesy Pay Plus are never guaranteed. Unless you have an Overdraft Protection Service(s) with available funds or credit, we can return unpaid any debit item that would cause your checking account to fall below a zero balance.

We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it.

We limit the number of Courtesy Pay and NSF Fees we charge in a business day. We will not charge a fee if your available balance is overdrawn by \$5 or less by an ACH or draft item. Additionally, even if your available balance is overdrawn we will not charge a fee for any debit card item that is \$5 or less. The maximum number of overdrafts due to insufficient or unavailable funds that will be subject to Courtesy Pay Fees in one day is five (5).

You can change your Overdraft Protection Service elections at any time by notifying us. If you prefer that we make an NSF return for any items that would create an overdraft, you can opt out of payment of all items under Courtesy Pay and Courtesy Pay Plus during the membership opening process or by notifying us in writing. Even if you do not opt out, we still reserve the right to return NSF items on debits you do not have sufficient available funds to cover.

Any payment made by us under the Courtesy Pay or Courtesy Pay Plus service will be made on a case-by-case basis, in our sole and absolute discretion. These services do not constitute an actual or implied agreement between you and the Credit Union, nor do they constitute an actual or implied obligation of the Credit Union. The Courtesy Pay and Courtesy Pay Plus services are privileges that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.

You may revoke your authorization for Courtesy Pay Plus at any time, using any method made available to you for providing consent. You may also opt out of Courtesy Pay by notifying us that you are opting out of the Courtesy Pay service entirely, by notifying us in person at a Credit Union branch, or by calling us at (925) 447-5001 and requesting that we mail a form to you.

In making your decision whether to opt out of Courtesy Pay or to opt out of or opt in to Courtesy Pay Plus, you should be aware that some merchants and other payees of checks may charge bad check fees in addition to any NSF return fee imposed by us. If you have set up automatic bill payments, your payees may charge late or other fees if your payments are returned NSF.

If we do pay rather than return an NSF item, you must immediately deposit an amount sufficient to restore your account to a positive balance. In our sole discretion, we may notify you by mail, or, if you have agreed to receive notices from us in an electronic format, you may be notified electronically, of any nonsufficient funds checks, items or other transactions that have been paid or returned; however, we are not required to so notify you. You also acknowledge and agree that we have no obligation to notify you before we pay or return any check, item or other transaction. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

Payment of overdrafts under Courtesy Pay Plus will never be available in the following situations: (a) any owner of the checking account is in default on any obligation to us; (b) in our sole judgment you have initiated too many checking account withdrawal transactions against insufficient available funds.

**Authorization Holds for Debit Card Transactions:** When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an "authorization hold," and

the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day. Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted, as discussed below, or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is swiped before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or gas station. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization, or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

**Right of Setoff:** In addition to any other rights that we may have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees and charges). Moreover, unless you opt out of the Courtesy Pay or Courtesy Pay Plus services, you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of these services.

**Default:** You will be in default under the terms of the Courtesy Pay and Courtesy Pay Plus services if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend Courtesy Pay or Courtesy Pay Plus, terminate the services, or close your checking account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorneys' fees and court costs that we may incur as a result of your default.

**Termination/Suspension:** We may terminate or suspend the Courtesy Pay and Courtesy Pay Plus services at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys' fees, if any.

## **8. Check 21**

Many checks you write will be processed electronically, with the result that checks written on your account can clear in a matter of minutes or hours, rather than days. This makes it more important than ever that you do not write checks against deposits that have not yet become available (see the Funds Availability Policy) unless you intend to rely on available Overdraft Protection Service(s).

## **9. Prohibition on Pledging Funds**

Funds in checking accounts cannot be pledged as security for loans. However, if you become indebted to us and do not pay what you owe us according to your agreements with us, you agree that funds in your checking account are subject to our Right of Offset (section V.O).

## **10. ACH Re-presentation of Returned Checks (RCK Entries)**

Checks you write on insufficient available funds may be re-presented by the payee for payment through the ACH (automated clearinghouse) system if the payee notifies you of this possibility when you write the check. Checks on which the signature is forged, altered checks, checks over \$2,500, checks returned for reasons other than insufficient available funds, or checks re-presented for than 180 days after their original date, are not eligible for ACH re-presentation.

## **11. Lost or Stolen Checks**

If your checks are lost or stolen, please call us immediately at the phone number listed at the end of this Handbook. Because of the risk that someone who obtains your account and routing number can order checks outside the sequence of numbers on which you stop payment, we recommend that you close your



checking account and re-open it under a new number. If you elect to keep your account open under the same number after checks have been lost or stolen, we will not be responsible for unauthorized checks paid on your account unless they fall within a sequence of numbers on which we have received your written order to stop payment.

## **12. Preauthorized Drafts**

A preauthorized draft is created when you give someone (such as a telemarketer or a creditor to whom you owe money) your checking account number along with your routing and transit number and authorize them to use the information to debit your checking account for the amount of money you have agreed to pay them. Any preauthorized draft presented to us after you have voluntarily given your checking account number to the payee is considered authorized by you, even though you have not signed a check. Exercise caution before you give your checking account information to a third party enabling them to create a preauthorized draft and notify us promptly if you believe any preauthorized draft shown on your periodic statement is unauthorized.

## **13. Account Monitoring and Statement Review**

Checking accounts typically experience the highest transaction volume and the most transmission of account data to third parties, such as via Debit Card swipes at merchants and checks written to pay bills. You can reduce your risk of loss and the risk of loss to your member-owned Credit Union by keeping careful track of your account activity. Record deposits and withdrawals (including card transactions), frequently review your account activity using our free, secure Online Banking, which includes eAlerts for customizable notifications and 24 Hour Audio Response telephone banking services, and promptly report any suspicious transactions you observe. See the section entitled "Your Responsibility for Reviewing Statements and Other Communications and Reporting Unauthorized Activity and Other Errors" above (section V.M) for details about your potential responsibility for unauthorized activity on your accounts.

## **K. Certificates**

With a certificate, you deposit money for a set period of time in exchange for a higher dividend rate. We offer certificates where the dividend rate is fixed for the term of the certificate and a variable rate certificate, where the rate can change quarterly based on the Treasury Bill 6 month auction average rate, rounded down to the nearest quarter percent.

We may also offer "bump rate option" certificates. With a bump rate option certificate, if our quoted rates for certificates of the same term as your certificate increase during your certificate's term, you will be allowed, one time during the term of your certificate, to increase your dividend rate to the then-current rate. The higher dividend rate will apply to the full balance in your certificate as of the date you exercise the rate bump option for the remainder of its term.

When you open a certificate, you will receive a Share Certificate Account Disclosure specifying the opening date, term length, maturity date, dividend rate, annual percentage yield, whether the rate is fixed or variable, whether the certificate has a rate bump option, and whether the certificate is an individual retirement account.

Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day. The dividend period is monthly. Dividends are earned from day of deposit to day of withdrawal, and are credited and compounded monthly on the last day of the month and on the maturity date. In addition to any early withdrawal penalties, if funds are withdrawn prior to the end of a dividend period, dividends accrued but not yet credited as of the date of withdrawal will be forfeited.

The quoted APY assumes all credited dividends remain in the certificate until maturity. Earlier withdrawal of credited dividends will reduce earnings.

Certificates renew automatically at maturity unless you close the Certificate at maturity or during the 10-day grace period that follows maturity. Automatic renewal will be for the term disclosed to you in the renewal notice we will send you.

You may not add funds to a Certificate Account after it is opened, except at maturity or during the grace period following maturity.

If you withdraw principal from a Certificate Account prior to maturity, an early withdrawal penalty on the amount withdrawn will apply. If the withdrawal is made within six days after opening or within six days after the end of the grace period that follows automatic renewal, the penalty will equal seven days' dividends on the amount withdrawn and may invade principal. Thereafter, the penalty will equal the lesser of dividends earned or 30 days' dividends on certificates with terms up to 3 months or 90 days' dividends on certificates with terms of 60 months or longer.

Early withdrawal penalties may be waived if (a) you close an IRA Certificate Account within seven days of opening it, but only to the extent the penalties would invade principal (you will pay any penalties that will not invade principal), (b) you withdraw funds from an IRA Certificate Account after reaching age 59-1/2 or become disabled, (c) you withdraw funds within one year after our merger with another federally insured financial institution, if the

merger results in loss of federal insurance on the Certificate Account, (d) any owner of the Certificate Account dies; (e) any owner of the Certificate Account is deemed incompetent by a court or other administrative body of competent jurisdiction, or (f) you withdraw the funds within the grace period following maturity of the Certificate Account.

## **VII. CREDIT UNION CASHIER'S CHECKS**

We may allow you to withdraw funds from your account or take a loan advance in the form of a cashier's check. A cashier's check is drawn on us and we are, under normal circumstances, guaranteeing payment of the check.

Cashier's checks should be handled with great care as they are functional cash equivalents and payment cannot be stopped.

We will accept a request for a refund or replacement of a cashier's check only if you give us a written declaration under penalty of perjury stating that the cashier's check was lost, stolen or destroyed before you negotiated it or delivered it to the payee. If the cashier's check was lost, stolen or destroyed after delivery or attempted delivery to the payee, the payee must also sign a written declaration under penalty of perjury that the check was lost, stolen or destroyed before the payee negotiated it. If we receive the request after we have paid the cashier's check, we will have no responsibility for the loss.

We are not obligated to issue a replacement cashier's check until 90 days after its date. We reserve the right to require you to post and pay for a lost instrument bond before we will issue a refund or replacement.

We are discharged from further liability if we refund a cashier's check by crediting the account or credit line from which you obtained the funds to purchase the cashier's check, or if we replace the cashier's check by issuing a new one. If a holder in due course presents the original cashier's check for payment after we have refunded or replaced it, you must pay the amount of the original cashier's check to the holder, or to us if we are required to pay the holder. If you do not pay upon our reasonable demand, you agree that our Right of Offset (section V.O) applies. If we cannot recover the amount by exercising our Right of Offset, you agree that our right to recover Collection Costs (section V.P.) applies.

## **VIII. WIRE TRANSFERS**

We can process wire transfers from your account and will carry out your written instructions. We will also receive wire transfers for you. Wire transfers are subject to applicable law and regulation, including the terms of Federal Reserve Regulation J, Article 4A of the Uniform Commercial Code, and for outgoing international wires, the Remittance Transfer Rules of Consumer Financial Protection Bureau Regulation E. California law governs UNCLE Credit Union wire transfers. If Remittance Transfer rules apply to an international wire, you will receive a disclosure to that effect when you initiate the wire.

Wires sent and received will be reflected on your monthly account statement. You agree to report any errors or unauthorized activity within 14 days. If you do not report an error or unauthorized wire within 30 days after we mail you the statement on which it appeared, we will not be responsible for any resulting loss. With respect to international wires, you may have a longer time to report errors or unauthorized activity. You will receive a disclosure of international wire dispute rights that exceeds these time limits, if any, when you initiate an international wire to which extended reporting times apply.

Wire transfer instruction errors may delay the sending or receipt of your wires.

We can refuse to carry out wire instructions if we have reason to believe that following the instructions will cause us a loss.

We will not be liable for damages to you or to any third party as long as we accurately carry out the wire transfer instructions we receive in a reasonable manner. You confirm that you understand that there is a risk that wire transfers can be lost, mis-delivered or delayed due to circumstances beyond our control, you assume such risk, and you agree that we will have no liability to you or any third party as a result of errors, interruptions or delays in wire transmission except to the extent they arise from our gross negligence or intentional misconduct. We will not be liable to you for errors by other institutions involved the processing of wire request.

We will not be liable for indirect, consequential or punitive damages if a loss is sustained because we have failed to carry out instructions in a reasonable manner, even if we are advised that they may occur. Our maximum liability will be the amount of the wire transfer and any interest we are required to pay under applicable laws or regulations or the rules of the funds transfer system used to process your wire.

### **A. Wire Transfers We Receive**

We will carry out the terms specifically as transmitted by the sending financial institution. We have no obligation to correct erroneous spelling or account numbers. We will follow account numbers, not names, in posting incoming wires, unless we have actual knowledge that the name and account number do not match. If we have actual knowledge that the name and account number do not match, we may at our option post the wire according to the account number or return the wire to the sending institution.

We will not be responsible for any direct or consequential claims, damages, losses or liability that you allege occurred due to a failure to post a wire to your account if the failure was due to an error in the name or routing

number provided by the sender, or an inconsistency between the name and account number provided by the sender. We are responsible only for our failure to accurately comply with the instructions provided by the sender, and our liability is limited to the amount of the wire. We will not be liable for any alleged consequential damages resulting from our error, such as lost business opportunities or harm to your credit standing.

Unless a specific account is indicated, we will post wired funds to your checking account if you have one, or to your regular share savings account, if you do not have a checking account.

If we receive an erroneous wire to your account, the sending party can reverse the transaction and the amount of the wire will be deducted from your account. We will notify you if this happens, and you agree to immediately restore any resulting negative balance upon our demand. If you do not do so, you agree that our Right of Offset (Section V.O) applies. If we cannot recover the negative balance by exercising our Right of Offset, you agree that our right to recover Collection Costs (Section V.P) applies.

You agree that we are not required to provide notice to you if we receive a wire transfer on your behalf. It is your responsibility to confirm that funds you expect to receive via wire transfer are posted to the appropriate account. You may telephone us, visit any financial center, or use 24 Hour Telephone Banking or Online Banking to check deposits to your accounts.

## **B. Wire Transfers We Send**

We can process wire transfers from your accounts and will carry out your written instructions upon receipt of your request. Wire transfer requests must be made in person at one of our financial centers. The wire transfer request cutoff time is 1:00 p.m. on a business day, requests received after the cutoff time will be processed on the next business day. A wire transfer form is required for each request. Available funds are required to be in the account that is designated to withdraw from for the wire and any applicable fees. We can select any conventional means for processing your wire transfer. Except for certain types of international wires, wire transfer orders do not apply to funds transfers taking place through the Automated Clearinghouse System.

We can rely on any information furnished on the wire transfer form with respect to the recipient, the receiving financial institution and any correspondent bank. We have no obligation to correct erroneous spellings of names or erroneous account numbers in sending or receiving wire transfers. You understand and agree that if you provide a bank name and identifying number that do not match, or a recipient name and account number that do not match, we and any other entity involved in processing your wire are entitled to rely on the number only and will have no obligation to you or any third party to confirm that the name and number match.

We reserve the right not to complete a wire transfer requests when in receipt of a non-complete wire transfer request form. We may, on occasion, be in receipt of additional documentation provided by you with information related to the recipients wire instructions. We may use this information to validate your instructions however we cannot be held liable if the information does not match your instructions on the wire transfer form. You agree to defend, indemnify and hold us harmless from any costs we incur as a result of carrying out your wire transfer instructions, including unanticipated costs we incur. Any such costs may be deducted from any UNCLE Credit Union account in which you have an interest.

We may, as an accommodation to you, attempt to assist you in identifying routing numbers, correspondent or intermediary bank numbers for your wire transfer recipients. However, any such assistance is provided as an accommodation to you only. We will not be responsible for any errors.

Once a wire has been sent, it generally cannot be amended or canceled. International wires may be subject to cancellation for the time stated in the disclosure you receive.

Any person to whom you have given actual, implied or apparent authority to initiate wire transfers out of your account or who gains access with or without your permission to the information necessary to initiate wire transfers out of your account is deemed to have been authorized to initiate the wire and you will be liable for the amount of the wire.

## **C. Security Procedures**

The Credit Union may establish security procedures to verify the authenticity of any funds transfer. By submitting a wire transfer, you confirm your agreement that these security procedures are reasonable. You will be notified of the security procedure, if any, to be used to verify funds transfers authorized by you or for which your account will be liable.

Your wire transfers may be delayed if you give us erroneous information or if you have not kept current your contact information that we maintain in our records. They may be further delayed if we are unable to perform our security procedures due to no fault of our own.

## **D. Remittance Transfers**

Remittance transfers are electronic transfers of funds outside the United States whether initiated via the ACH system or a wire service. They are governed by Consumer Financial Protection Bureau Regulation E and other laws and regulations governing wire transfers. When you initiate a remittance transfer, you will receive a written

disclosure required by law. That disclosure will, among other things, explain how you can cancel a remittance transfer before it is sent and the time you have to do so. The disclosure will also include information on dispute resolution and applicable timeframes for disputes.

## **IX. FUNDS AVAILABILITY POLICY**

When you deposit a non-cash item (such as a check) drawn on another financial institution, there is always a delay before the item is presented to the institution on which it is drawn and we receive payment. Therefore we will not always make funds from your deposits available to you immediately. The following summary of our policy is provided to meet federal notice requirements.

If we do impose a "hold" before we make funds from your deposits available to you, the length of the hold is counted in "business days." Business days are Monday through Friday excluding federal holidays. If you make a deposit in person to one of our employees before close of business on a business day, or to an ATM before 3:00 PM on a business day, we consider that day to be the day of your deposit. If you make your deposit to an ATM after 3:00 PM, or if your deposit is not made in person to one of our employees (for example, a deposit made via branching CO-OP Shared Branch), we consider the next business day to be the day of your deposit. The day of deposit for a mailed deposit is the business day we receive it.

All credits for deposits are provisional until we receive final payment from the institution on which the item is drawn. Even if we make funds available to you for a deposited item, if the paying institution lawfully returns the item unpaid or lawfully reverses an electronic direct deposit or wire transfer, we can deduct the amount of the deposit from your account balance and you will be liable for any resulting negative balance and related fees. (Refer to our current Fee Schedule)

If we choose to accept a check as your agent for collection rather than deposit it, the money will be posted to your account when the Credit Union receives payment.

### **A. General Rules**

If you make your deposit in person to a UNCLE Credit Union employee during business hours, the first \$5,000 will generally be available the day of deposit. Funds from cash deposited in person, checks drawn on us, wire transfers and electronic direct deposits are always available on the business day of deposit.

If you make your deposit in person to an employee at a branch of a credit union other than UNCLE Credit Union that participates in the CO-OP Shared Branch network, the first \$200 will generally be available the business day of the deposit and the next \$4,800 will generally be available the business day after the day of deposit. Funds from deposits of cash and checks drawn on us are always available the business day after the day of deposit.

### **B. ATM Deposits**

If a deposit is made before 3:00 PM on a business day at an ATM we own or operate, the first \$200 will be available the day of the deposit and the next \$4,800 will generally be available the business day after the day of deposit. Funds from deposits of cash and checks drawn on us will always be available the business day after the day of deposit. Funds from deposits at ATMs we do not own or operate will be available no more than five business days after the day we receive your deposit unless the deposit falls under either the "Longer Holds May Apply" provision or the "New Accounts" provision.

### **C. Longer Delays May Apply**

In some cases, we will not make all of the funds that you deposit by check available on the business day of deposit. If we are going to impose a "hold," we will notify you in writing when you make your deposit and we will tell you when the funds will be available. If your deposit is not made directly to a Credit Union employee or we decide to impose a hold after you have left the premises, we will may you the notice by the next business day. A hold may be imposed in the following circumstances:

1. We believe a check you have deposited will not be paid (we will tell you the reason for our belief)
2. You deposit checks totaling more than \$5,000.00 in a single day (the first \$5,000.00 will be available on the business day of your deposit unless one of the other reasons we may impose a hold also applies)
3. You deposit a check that has been returned unpaid
4. You have overdrawn your account repeatedly in the last six months
5. An emergency, such as failure of communications or computer equipment, delays availability.

### **D. New Accounts**

If you are a new member, the following special rules will apply during the first 30 days your account is open:

1. Cash, wire transfers and electronic deposits are available on the day of deposit.

2. The first \$5,000.00 from a check drawn on the U.S. Treasury will be available on the business day after the business day of your deposit. The excess over \$5,000.00 will be available on the ninth business day after the day of your deposit.
3. If you make the deposit in person to one of our employees, the first \$5,000.00 from a deposit of (a) U.S. Postal Service money orders, (b) checks drawn on Federal Reserve Banks or Federal Home Loan Banks, (c) checks drawn on state or local governments, (d) cashier's, teller's or certified checks, or (e) traveler's checks, will be available on the business day after the day of your deposit. The amount in excess of \$5,000.00 will be available on the ninth business day of the day of your deposit. However, if the deposit is not made in person to one of our employees, the first \$5,000.00 will not be available until the second business day after the business day of your deposit.
4. Funds from other check deposits will be available within a reasonable time, generally not exceeding nine business days after the day of your deposit.

#### **E. Check Endorsements**

Federal law requires all check endorsements to be in the first 1-1/2 inches of the trailing edge on the back of the check. The trailing edge is opposite the left side of the face of the check. You will be responsible for any costs we incur due to delays in returning checks deposited to your accounts that don't comply with the endorsement standards.

#### **F. Remote Deposit Capture**

Funds from checks deposited by remote deposit capture will be available when we receive final payment from the institution on which the check is drawn. Remote deposits are not subject to the availability schedule stated in this section IX.

### **X. ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURE**

#### **A. Types of Transfers**

Indicated below are types of Electronic Fund Transfers (EFT) we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for Electronic Transfers. We may issue you an access device, such as a card, code, passcode, or other means of accessing your account to initiate EFTs. You should keep this notice for future reference.

#### **B. Electronic Funds Transfers Initiated By Third Parties**

You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

##### **1. Preauthorized Credits**

You may make arrangements for certain direct deposits (such as U.S. Treasury (Social Security) or some employers (payroll) to be accepted into your share draft or share account(s)).

##### **2. Preauthorized Payments**

You may make arrangements to pay certain recurring bills from your share draft, share, or money market account(s). Transactions from a money market account count toward the six-per-month limit as governed by federal law.

##### **3. Electronic Check or Draft Conversion**

You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills. The merchant or payee is required to notify you if they will convert your check to an electronic payment.

##### **4. Electronic Returned Check or Draft Charge**

You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient available funds.

##### **5. Audio Response Teller Transfers**

You may access your accounts to obtain information, transfer funds between accounts with us, or make a

payment to loans with us. You may perform these transactions by telephone 24 hours a day at 925-447-5001 using your valid password or PIN (Personal Identification Number), a touch tone phone, and account numbers. An audio response PIN is required and can be obtained by contacting the credit union.

### **C. ATM Transfers**

You may access your account(s) by ATM using your ATM or Debit Card and PIN, to:

1. Make deposits to share draft or share account(s) with a debit card
2. Get cash withdrawals from share draft or share account(s) with a debit card, you may withdraw no more than \$510.00 per 24 hour period
3. Transfer funds between account(s)
4. Make payments
5. Obtain information about the account balance of your share draft, share account(s) or loan(s)

Note: Some of these services may not be available or limited at some terminals. Some fees may be imposed when using a non-UNCLE or non-participating CO-OP terminal.

### **D. Types of Debit Card Point-of-Sale Transactions**

You may access your primary share draft account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

### **E. Dollar Limitations and Charges for Point-of-Sale Transactions**

1. You may not exceed \$3,000.00 in transactions per 24-hour period.
2. Charges to use your Debit Card, if any are disclosed in the current Fee Schedule.

### **F. Currency Conversion and International Transactions**

Debit Card withdrawals, purchases and cash advances made in foreign countries or in foreign currencies will be billed to you in U.S. dollars. The currency conversion rate for international transactions is a rate selected by our card network from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate the card network itself receives or the government-mandated rate in effect for the applicable central processing date. In addition, we may charge you a Foreign Transaction Fee of 2% of the settled transaction amount in U.S. dollars for all purchase transactions made in a foreign currency or in a foreign country, regardless of currency conversion.

### **G. Advisory Against Illegal Use**

You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder or merchant may be located.

### **H. Non-Mastercard® Debit Transaction Processing**

We have enabled non-Mastercard debit transaction processing. This means you may use your Mastercard-branded Debit Card on a PIN-Debit Network\* (a non-Mastercard network) without using a PIN.

The non-Mastercard debit network(s) for which such transactions are enabled are: STAR and CO-OP Network.

Examples of the types of actions that you may be required to make to initiate a Mastercard transaction on your Mastercard-branded Debit Card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make or initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Mastercard transactions are not applicable to non-Mastercard transactions. For example, the additional limits on liability (sometimes referred to as Mastercard's zero-liability program) and the streamlined error resolution procedures offered on Mastercard debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

\*Mastercard Rules generally define PIN-Debit Network as a non-Mastercard debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program. We cannot control how a merchant chooses to process a transaction which in some

cases may impact your liability (as defined in the Mastercard zero-liability program).

## **I. Online Banking Transfers**

You may access your account(s) through the Internet by logging onto our website at [www.unclecu.org](http://www.unclecu.org) and using your user identification and password. Access is made through a personal computer. Access is granted for the following actions:

1. Transfer funds between account(s) and/or loans with us
2. Transfer to or from your accounts at other institutions
3. Make payments
4. Obtain information about account(s) and/or loans with us
5. Obtain clearance of specific checks, view statements, download transaction information to personal management software from account(s) and/or loans with us
6. Pay bills
7. Set up automatic transfers

## **J. Mobile Banking Transfers**

You may access your account(s) through an app from Apple or Android store and using your user identification and password. Access is granted for the following actions:

1. Transfer funds between account(s) and/or loans with us
2. Make payments
3. Transfer funds to others through our Send Money service
4. Obtain information about account(s) and/or loans with us
5. View transactions from account(s) and/or loans with us
6. Make deposits (certain restrictions apply)

## **K. Fees**

Fees for all EFT services are disclosed in our current Fee Schedule.

1. Merchants and third party service providers may impose additional fees which must be disclosed prior to performing any transaction.
2. ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

## **L. Documentation**

### **1. Terminal transfers**

You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$25 or less or you may elect not to get a receipt.

### **2. Preauthorized credits**

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 call us at 800.34UNCLE (86253) or go online at [www.unclecu.org](http://www.unclecu.org) to find out whether or not the deposit has been made.

## **M. Preauthorized Payments**

### **1. Your right to stop payment**

If you have told us in advance to make regular payments out of your account, you can stop any of these payments by calling or writing us at the telephone number or address listed in this Handbook in time for us to receive your request 3 business days or more before the payment is scheduled to be made. You must give us the exact name of the payee and the exact payment amount.

If you call, we may also require you to put your request in writing within 14 days after you call. Please refer to our separate Fee Schedule for the amount we will charge you for each stop-payment order you give.

### **2. Notice of varying amounts**

If these regular payments 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.)

### **3. Liability for failure to stop payment of preauthorized transfer**

If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

## **N. Financial Institution's Liability**

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:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer
2. If you have an overdraft line and the transfer would go over the credit limit.
3. If the automated teller machine where you are making the transfer does not have enough cash
4. If the terminal or system was not working properly and you knew about the breakdown when you started the transfer
5. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken
6. There may be other exceptions stated in our agreement with you

## **O. Termination of Services**

We can terminate any or all of your EFT privileges at any time with or without notice consistent with applicable law. Among reasons we can terminate services without notice are:

1. You or any authorized user of your EFT services breach this or any other agreement with us
2. We have reason to believe there has been or may be unauthorized use of your EFT services
3. We have actual notice of conflicting claims to funds in your accounts;
4. Any authorized person asks us to terminate an EFT service
5. You repeatedly use EFT services for debits against insufficient available funds
6. You permit use of or engage in EFT services for illegal transactions.

## **P. Confidentiality**

With respect to EFTs, we will disclose information to third parties about your account or the transfers you make:

1. Where it is necessary for completing transfers
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant
3. In order to comply with government agency or court orders
4. When you give us your written permission.

See the UNCLE Credit Union Privacy Policy for further information about how we maintain the privacy of your personal and financial information.

## **Q. Unauthorized Transfers**

### **1. Consumer Liability**

Tell us at once if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Calling us is the best way of keeping your possible losses down. If you believe your card, card number, and/or code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft of your card and/or code you can lose no more than \$50 if someone used your card and/or code without your permission. Also, if you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers made by card, code or other means that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed 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.

a. Limited Liability for Debit Card

In general, under Mastercard operating rules, you will have no liability for unauthorized use of your Mastercard debit card for merchant unless you have failed to promptly notify us of the loss, theft or other actual or potential unauthorized use of your card, of you have been grossly negligent or engaged in fraud. Your liability for the unauthorized use of your Mastercard debit card will generally be no more than \$50. The zero liability rule does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by Mastercard.

If you fail to notify us of an unauthorized use that appears on a periodic statement within 60 days of our transmittal of the statement, and we can establish that we could have prevented the unauthorized use if you had notified us within this period, you will be liable for each unauthorized transfer (other than Mastercard merchant signature transactions that occurs after the close of the 60 days and before you give us notice.

If you fail to notify us because of extenuating circumstances beyond your control that contributed to your delay in notifying us, such as a serious physical impairment or hospitalization, this time period may be extended.

**2. Contact in Event of Unauthorized Transfer**

If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this Handbook. You should also call the number or write to the address listed in this Handbook if you believe a transfer has been made using the information from your check or draft without your permission.

**R. Error Resolution Notice**

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed at the end of this Handbook, 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 we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.
2. 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.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, 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 (5 business days for Mastercard-branded Debit Card point-of-sale transactions processed by Mastercard and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Mastercard-branded Debit Card point-of-sale transactions processed by Mastercard and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will 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. Your account is considered a new account for the first 30 days after the first deposit is made, unless you already have an established account with us before this account is opened. 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.

You may ask for copies of the documents that we used in our investigation.

UNCLE Credit Union

Attn: Finance Operations Department

2100 Las Positas Court

Livermore, CA 94551

Telephone: 925-447-5001

Business Days: Monday through Friday (excluding Federal and Credit Union observed holidays)

## **S. ATM Safety and Safeguarding Your Account Information**

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements or account histories that you receive.
4. Don't lend your ATM/Debit card to anyone.
5. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM/Debit card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your ATM/Debit card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
6. Prevent others from seeing you enter your PIN by using your body to shield their view.
7. If you lose your ATM/Debit card or if it is stolen, notify us immediately.
8. Exercise good judgment in using ATMs. Do not use ATMs alone at night or at sites that could, because of location or other circumstances, be susceptible to assault or robbery. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lit. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problems, go to another ATM or night deposit facility.
9. Avoid making transactions when someone is close enough to observe your PIN as you enter it. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
10. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
11. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
12. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
13. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility.
14. Please report any suspicious or criminal activity you observe at ATMs to both the operator of the facility and the local law enforcement officials immediately.

## **HOW TO CONTACT US**

### **By Telephone:**

925.447.5001

Toll-free: 800.34UNCLE (800.348.6253)

Report Lost or Stolen Debit Cards After Hours: 925.447.5001

Report Lost or Stolen Credit Cards After Hours: 925.447.5001

### **By E-mail:**

info@unclecu.org

DO NOT use e-mail for urgent messages such as lost or stolen cards.

### **By Writing:**

UNCLE Credit Union

Attn: Member Services

2100 Las Positas Court

Livermore, CA 94551

## **WHAT TO TELL US IN CASE OF ERROR OR INQUIRY**

- Your name
- Your account number
- The date of the questioned transaction
- Any transaction number associated with the transaction, such as a check number
- The dollar amount of the suspected error
- A description of the error or transaction you are not sure about
- Your explanation, if you can provide one, of why you believe there is an error

If you need more information about a transaction, ask us for clarification.

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