

# Truth in Savings Disclosure and Agreement

## General Disclosure Information about all Allied Healthcare FCU Account and Services

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**WHAT THIS MEANS FOR YOU.** When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

### **Membership/Eligibility**

To join AHFCU, a Membership application must be completed. To receive Membership privileges, you must purchase one share at a par value of \$10.00 (deposited in a Primary Regular Share) for each Membership opened. If your share balance falls below the par value of \$10.00, you must increase the share balance to at least \$10.00 within six months of the reduction. Failure to do so may result in the cancellation of your Membership. Shares are non-transferrable except on the records of AHFCU.

Allied Healthcare FCU serves employees of the medical community. Our services are offered to some of the largest hospitals in the Los Angeles and Orange County areas.

As a condition of establishing Membership, we may confirm your eligibility prior to or subsequent to opening your Share Account. If we cannot confirm your eligibility to our satisfaction, your account may be closed.

For additional eligibility information, please call 562-933-0370 or visit our website at [www.ahfcu.org](http://www.ahfcu.org).

### **Authority of Allied Healthcare FCU**

By signing the Membership application/signature card, you agree to be bound by the terms of the card as well as this Disclosure & Agreement as amended from time to time. You authorize us to obtain information from credit reporting agencies and financial institutions about your other checking and savings accounts and credit history. We may provide information about your account and your credit history with us to other persons, including credit reporting agencies.

The Credit Union reserves the right to restrict services and limit access for Members who commit significant financial misconduct, cause a loss to the Credit Union, or exhibit highly disruptive or abusive behavior.

The Credit Union further reserves the right to limit access and restrict or refuse service to joint owners or authorized signers who commit such actions.

## **Ownership of Accounts**

We may pay out funds or transact business pertaining to any account with the signature of any one of the account owners, or the signature of any designated agent(s), unless otherwise agreed in writing by the Credit Union.

With respect to accounts owned by individuals where there is more than one owner on an account, you will each have access to the account and all the funds therein. We will consider all funds paid into the account, including dividends thereon, as held by each owner jointly and equally, without regard to net contribution of each owner, with right of survivorship, and all such funds shall be subject to withdrawal or receipt by any of the account owners or their survivors. Any such payment shall be valid and discharge the Credit Union from liability. With respect to ownership of funds, we will not inquire as to the source of funds received for deposit to a joint account or the proposed use of the funds withdrawn.

“Right of Survivorship” means that upon the death of an owner, the decedent’s share of the account will be owned equally by all surviving owners. If no surviving owners, funds are distributed equally among the surviving beneficiaries, if any. If no surviving owners or beneficiaries, funds in the account are subject to the probate laws of the State of California.

The primary Member, acting alone, shall have the right to change the ownership structure of any account(s) by executing and dating a new membership application/signature card on file with the Credit Union bearing the most recent date.

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## **Notices**

Any notice that is provided to you constitutes notice to all individuals authorized by you to have access to your account.

## **Dividends**

For all dividend-bearing accounts, dividends will be earned daily for each day on which your balance equals or exceeds the minimum daily balance requirement for your accounts.

For all dividend-bearing accounts (except Holiday Club Accounts, Vacation Club Accounts, Money Market Accounts, and Term Share Certificate Accounts), dividends will be compounded monthly and will be credited monthly. The dividend period is also monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividends declaration date is the ending date of a dividend period, and for the example is January 31.

For Holiday Club Accounts, dividends will not be compounded and will be credited annually on September 30. The dividend period is also annually. The beginning date of the first dividend period of the year is

October 1 and the ending date of such dividend period is September 30 of the following year. The dividend declaration date is September 30 of each year.

For Vacation Club Accounts, dividends will not be compounded and will be credited quarterly. The dividend period is also quarterly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for the example is March 31.

For Money Market Accounts, dividends will be compounded daily and will be credited monthly. The dividend period is also monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for the example is January 31. Dividends are calculated by the average daily balance method which applies a daily periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

For Term Share Certificate Accounts with three (3) or (6) month maturities, dividends will be compounded and credited on the maturity date. The dividend period is at maturity.

For Term Share Certificate Accounts with twelve (12) month or longer maturities, dividends will be compounded monthly and will be credited monthly. The dividend period is also monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the ending date of a dividend period, and for the example is January 31.

Dividends will begin to accrue on the business day you deposit non-cash items (e.g. checks) to your account if deposited before the close of business. If you close any of your dividend-earning Accounts before dividends are paid, you will not receive the accrued dividends (if any).

The Board of Directors declares dividends monthly based on current income and available earnings after providing for required reserves.

For specified rates for each type of dividend bearing account, refer to the Savings Rates Schedule for the current dividend rate and corresponding APY.

### **Address**

You agree to keep us informed of your current address. In the event, you do not keep us informed, we may charge your account for the actual cost of a necessary locator service. We will not charge you more than once in any 12-month period. This charge will not exceed the maximum amount allowable by law.

## **Statements**

Statements are generated on a quarterly basis. Monthly statements are generated if you have activity on a Checking account, electronic funds transfers, or an open-end loan or line of credit. You understand and agree that the Credit Union does not return your cancelled checks with your account statements. We will mail account statements only to the address shown on our records. You can elect to receive your AHFCU periodic account statements electronically, through our e-Statements service. For more information on e-Statements, visit Online Banking at [www.ahfcu.org](http://www.ahfcu.org).

You will exercise reasonable care and promptness in examining your statements. You must promptly notify us of, and reimburse us for, any erroneous credit to your account. Within sixty (60) days after we mail or otherwise make statements available to you, you must notify us of any claim for credit or refund due to an unauthorized transaction. For purposes of this Agreement, an unauthorized transaction is a transaction that was not authorized by you, including but not limited to an erroneous or unauthorized debit. It might include an unauthorized signature, or an alteration, or otherwise a transaction that was not authorized by you. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the error or unauthorized payment against us if: (a) we suffer a loss on the item because of your failure; or (b) we pay on another item presented by the same wrongdoer if the payment was made before you properly notified us.

If you have failed to examine your statement and report any unauthorized transaction within sixty (60) days after your statement or the item(s) has/have been made available to you, you cannot recover from us, even if we failed to exercise ordinary care in paying the item(s).

Except as otherwise provided herein with respect to electronic funds transfers, any objection regarding an item shown on your monthly or quarterly statement shall be waived unless made in writing to us on or before the 30<sup>th</sup> day following the day the statement was mailed.

## **Cash Transactions**

All cash transactions are final. If you need cash in the amount of \$3,000.00 or more from us, we may require a 48-hour notice. We are required by the Bank Secrecy Act to file certain reports and follow specific Member identification procedures in cases of large currency transactions.

## **Non-Cash Payments**

We reserve the right to refuse any non-cash item presented to us for payment. If accepted, we will credit all non-cash items received for credit to any account, subject to final payment.

## **Checks Received/Endorsement**

We may endorse checks for the account owner(s) that are received for credit to your account. If you have more than one owner on your account, we may accept checks endorsed by any of the owners, for the other(s).

**Deposits**

All deposits are subject to verification.

**Withdrawal**

We may require 60 days' notice of your intention to withdraw shares unless a different period of notice is established by the Allied Healthcare FCU Board of Directors.

**Returned Deposits**

When an item you cash or deposit into your account is returned to us unpaid, we will debit the amount of the item from your account, debit any dividends that would have been earned and return the item to you. In the event a returned deposit causes your account balance to become negative, we may retain the item until the negative balance is resolved. We may choose, at our discretion, to redeposit the item. You may be assessed a returned deposit fee (please see our current **Schedule of Fees & Charges**) regardless of the action we take.

**Facsimile Signatures/Instructions**

We may refuse to accept facsimile signatures. You agree to assume full responsibility for any and all payments made by us in reliance upon a facsimile signature(s) resembling a signature that has been provided to us by you. You agree to indemnify and hold us harmless from any and all losses, claims, damages, liability, costs, and expenses including, but not limited to, reasonable attorney fees arising directly or indirectly out of the misuse or the unlawful or unauthorized use of the facsimile signature(s) by any person. We are not required to act upon instructions received by facsimile transmission.

**Official Checks**

Stop payments on official checks are not permitted. In the event that an official check is lost, stolen, or destroyed, please contact us for procedures to obtain reimbursement or to have the official check reissued. There may be a delay of up to 90 calendar days before the funds may be reimbursed or the check reissued.

**Inactive Accounts**

If you do not conduct a transaction on your account (i.e. a withdrawal, deposit, or transfer to or from your account, other than an automated transaction) for 365 consecutive days, we may classify it as an "inactive" account. We will notify you in writing at your last known address if your account is classified as "inactive." We may charge a monthly inactive Account Fee as set forth in the Schedule of Fees until you initiate a transaction. Once you initiate a transaction, either in person or in writing, we will reactivate your account. We will not be responsible for any reasonable delay in reactivating your account.

**Unclaimed Property**

California's Unclaimed Property Law requires us to report and deliver your funds to the appropriate state, if there has been no activity on your account for over three years. To avoid having your funds escheated to the State, you may:

- make a deposit
- make a withdrawal
- correspond with us about your account in writing
- respond as instructed to a notice of inactivity or dormancy

We may charge a fee for mailing you a notice regarding your unclaimed property as set forth in our Schedule of Fees & Charges. To recover funds turned over to the state, you must file a claim with the state. Once funds are surrendered to the state, we no longer have any liability or responsibility with respect to the funds.

### **Collateralization**

You may only use funds in a Term Share Certificate account (except for IRA Certificates) as specific collateral for a Certificate-Secured loan. Certificate-Secured loans are not available on organizational or business accounts.

### **Pledge of Shares**

You grant us a consensual security interest in your accounts and have pledged funds on deposit in your accounts (except IRA) to satisfy debts that are due us. We reserve the right to exercise this pledge of shares for liabilities owed to us against any account held by you individually or jointly with any other person(s) to the fullest extent permitted by law.

We reserve the right to exercise this pledge of shares for liabilities owed to us against any account held by you individually or jointly with any other person(s), without notice, to the fullest extent permitted by law. 'Liabilities owed to us' includes any fees, charges, loan balances (including balances properly accelerated) or any other obligation of any kind owed by you hereunder, under any other agreement with us, or otherwise under applicable law. You acknowledge that this pledge of shares survives your death and must first be satisfied before the rights of any joint account survivor, pay-on-death beneficiary, or trust account beneficiary become effective.

Moreover, you knowingly consent and expressly agree that the application of an offset of funds in any account includes the offset of government benefits (such a Social Security and other public benefit funds) deposited in your account to the maximum extent permitted by applicable state and federal law.

### **Unlawful Use**

You warrant and agree that you will not use Credit Union accounts or services, including but not limited to loans, to make or facilitate any illegal transactions as determined by applicable law; and that any such use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union will not have any liability, responsibility, or capability whatsoever for any

such use by you or any authorized users. You further agree to indemnify and hold the Credit Union harmless from any lawsuits, liability, damages, or adverse action of any kind that results directly or indirectly from such illegal use.

**Shared Branches:** You may conduct transactions on your Credit Union account(s) at CO-OP Shared Branching locations. All transactions conducted at a CO-OP Shared Branching location are subject to CO-OP's operating procedures, policies, and fees. Funds deposited at CO-OP Shared Branching locations may not be available for immediate withdrawal. Check holds are the same as for similar checks deposited at a Credit Union proprietary branch; please refer to our Funds Availability Policy. Check holds cannot be removed by CO-OP Shared Branching personnel. Transactions at CO-OP Shared Branching locations are subject to this Agreement and are subject to host credit union verification. Certain transactions at CO-OP Shared Branching locations may be subject to our fee(s) as stated on the Schedule of Fees & Charges.

**Legal Processes:** You understand and agree that we must comply if we are served with any notice of garnishment or of attachment, tax levy, withholding order, injunction, restraining order, search warrant, government agency request for information, forfeiture, seizure, subpoena, or other legal process relating to your account that we know or otherwise believe in good faith is valid, whether served in person, by mail, or by electronic notification, at any Credit Union branch. You direct us not to contest any such notice of legal process and understand that we are under no obligation to notify you of the legal process and will not notify you if prohibited by law. We may charge a legal processing fee, as set forth in our Schedule of Fees & Charges, and we may assess this fee against any account you maintain with us, including the account that is the subject of the legal process. You understand and agree that if a subpoena or legal process requires us to release information about an owner on an account, we must comply with such request and the information released pursuant to such subpoena or legal process may include information about other owners on the account, even if their information was not expressly requested by the subpoena or legal process.

**Severability:** In the event that any portion of this Agreement is held by a court to be invalid or unenforceable for any reason, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All hearings are intended for reference only and are not to be construed as part of the Agreement.

#### **ARBITRATION CONSENT AND AGREEMENT**

You agree to be liable to the Credit Union for any loss, cost or expense that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize the Credit Union to deduct any such losses, costs, or expenses from your account without prior notice to you.

All unresolved disputes or claims relating to this Agreement or the relationships that arise from your use of the Credit Union's products and services hereunder, whether based in contract, tort or otherwise, shall be resolved by binding individual arbitration under the expedited procedures of the Commercial

Financial Disputes Arbitration Rules of the American Arbitration Association (AAA) and the Federal Arbitration Act in Title 9 of the US Code. The parties shall each be responsible for and pay their respective costs, including attorneys' fees, incurred by them in preparing and presenting their case at the arbitration proceedings but the cost of the arbitrator shall be shared equally by them. Arbitration hearings will be held in Los Angeles County, California at a location to be designated by the arbitrator, or at another location if mutually agreed. A single arbitrator will be appointed by the AAA and will be an attorney or a retired judge with experience and knowledge in financial transactions. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including but not limited to issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law shall be applicable in any such arbitration, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. No person entitled to demand arbitration hereunder shall be permitted to assert a dispute or claim that is on behalf of any other person. Similarly, an arbitration proceeding under this Agreement may not be consolidated with other arbitration proceedings, nor may any arbitration be commenced on a class basis. Judgment upon the award rendered in arbitration shall be final and may be entered in any court, state or federal, having jurisdiction. In the event arbitration does not apply, the exclusive forum for any litigation relating to this Agreement or the relationships that arise from your Account or your use of the Credit Union's products or services shall be a Court in Los Angeles County, California. Whether as a result of arbitration or litigation or other proceedings, the prevailing party shall be entitled to reimbursement for all of its, his or her reasonable attorney's fees and costs incurred including, but not limited to, those incurred incident to any appeal. YOU AND THE CREDIT UNION HEREBY MUTUALLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES, AND CLAIMS BY, BETWEEN OR AGAINST EITHER YOU OR THE CREDIT UNION WHETHER THE DISPUTE, CONTROVERSY OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT. Each party to this Agreement agrees to maintain the confidentiality of any arbitration or other legal proceedings, and not to publicize or disclose to third parties any matters relating to such proceedings or the dispute involved or any decision, settlement, or other resolution, except with the prior written consent of the other party or as required by applicable law.

### **Governing Laws**

This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws (including applicable principle of contract law) and regulation of the state of California, and local clearinghouse rules, as amended from time to time.

### **Non-waiver**

The failure by one party to require performance of any provision shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself.

## Telephone Monitoring

In the regular course of our business, we may monitor and record phone conversations made or received by our associates. You agree that we will have such right with respect to all phone conversations between you and our associates, whether initiated by you or any of our associates.

## Fees and Charges

A Schedule of Fees associated with your account, as well as fees for some non-account services (such as wires, money orders, etc.) is provided in our Schedule of Fees & charges. The Schedule of Fees & Charges is part of the contract between you and us.

## Funds Availability

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Our policy is to generally make funds from your deposits available to you on the same business day as the day we receive your deposit. At that time, you can withdraw the funds in cash and in the case of Checking and Money Market Accounts, we will use the funds to pay checks that you have written.

Please note that even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit or cash that are returned to us unpaid and for any other problems involving the items you deposit or cash. For determining the availability of your deposits, every day is a business day, except Saturday, Sunday and Federal Holidays. We will consider that deposits by mail are made on the business day we receive them.

**Longer Delays May Apply:** In some cases, we will not make all of the funds that you deposit by check available to you on the same business day as the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$200 of your deposit will be available on the same business day.

If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you need the funds from a deposit right away, please ask us when funds will be available.

In addition, funds you deposit by check may be delayed for a longer period than noted above under the following circumstances:

- We believe a check you deposit will not be paid
- You deposit checks totaling more than \$5,000 on any one day
- You have overdrawn your account repeatedly in the last six months
- You redeposit a check that has been returned unpaid.
- There is an emergency, such as a failure of communications or computer equipment

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

**Special Rules for New Accounts:** If you are a new Member, the following special rules will apply during the first 30 days your account is open:

Funds from deposits of cash, or from electronic or wire transfers into your account, will be available on the same business day as the day we receive the deposit. The first \$5,000 of a day's total deposits of US Treasury, cashier's, certified, teller's, traveler's and federal state and local government checks will be available on the same business day as the day of your deposit if the checks are made payable directly to you. The excess over \$5,000 will be available no later than the ninth business day after the day of your deposit. If your deposit of these checks (other than a US Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available no later than the 9<sup>th</sup> business day after the day of your deposit.

**Holds on Other Funds:** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

**Effect of a Hold:** Even if we do not make all the funds from a deposit available the same business day, the amount of the deposit is credited and begins to earn dividends immediately.

**Collection Items:** Some items, such as items subject to processing delays (e.g., insurance drafts and foreign items), cannot be credited to your account until we receive the funds. On such items, we will tell you this and give you an estimate of the time it will take to receive the funds. When funds are received, we will notify you and immediately credit your account for that amount minus any service charge levied by a third party.

**Endorsement Standards:** The Federal Expedited Funds Availability Act and Federal Reserve Board Regulation CC mandate endorsement standards for items you present for deposit.

The first 1-1/2 inches on the back side of a check is for signatures and deposit instructions. The same 1-1/2 inch restriction applies if you use an ink stamp for endorsement of your checks. The remainder of the check is to be used for other processing. This endorsement procedure applies to all instruments deposited to Allied Healthcare FCU and other financial institutions. Failure to follow these standards may result in refusal of the item for deposit.

## **Substitute Checks and Your Rights**

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### **What Is a Substitute Check?**

Federal law permits banks to replace original check with "Substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of the substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check exactly the same way you would use an original check including as proof of payment.

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

### **What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure for you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think we withdrew the wrong amount from your account or withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss, or the amount of the substitute check, whichever is less. You are also entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive a refund (plus dividends if your account earns dividends) within 10 business days. We may reverse the refund (including any dividends on the refund) if we later are able to show that the substitute check was posted correctly to your account.

### **How Do I Make A Claim for A Refund?**

If you believe you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 562-933-0370, or write to Allied Healthcare FCU, P.O. Box 93124, Long Beach, CA 90809-3124. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you are not able to make a timely claim due to extraordinary circumstances. If you tell us orally, we may require that you send us your claim in writing within 10 business days.

## **Additional Disclosures about Specific Accounts**

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Please see Dividends section for information regarding dividends pertaining to any account described below.

### **Share Savings Accounts**

A Share Savings Account is our primary savings account which is required to be established by every member. The minimum deposit required to open a Share Savings Account is \$10. You must maintain a minimum daily balance of \$10 to avoid a fee set forth on the Schedule of Fees & Charges. This is a tiered-rate Account. The minimum balance requirements for each tier and the corresponding dividend rate and Annual Percentage Yield (APYs) are set forth on the Savings Rates Schedule. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors.

#### **Transaction Limitations**

During any calendar month, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic or computer transfer, telephonic order, or instructions, or by check, draft, debit card, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

### **Holiday Club Accounts**

The Holiday Account allows you to save for your holiday shopping. Deposits to your Holiday Account can be made at any time, in any amount.

1. The minimum deposit required to open this Account is \$5.00.
2. There is no monthly fee.
3. I must maintain a minimum daily balance of \$5.00 in this Account each day to obtain the disclosed Annual Percentage Yield (APY).
4. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The Dividend rate and Annual Percentage Yield for this account as of the last dividend declaration date are set forth on the Savings Rates Schedule.
5. The full balance in the Account will be disbursed to me on or about the first business day of October of each year. If a withdrawal is necessary before the first business day of October in any given year, a withdrawal fee may be assessed (see **Schedule of Fees & Charges**). The Account will automatically renew on October 1 of each year, unless I provide instructions on or before October 1.

### **Vacation Club Accounts**

The Vacation Club Account allows you to save for that dream vacation or any special event in your life. Deposits to the Vacation Club Account can be made at any time, in any amount.

1. The minimum deposit required to open this Account is \$5.00.
2. There is no monthly fee.

3. I must maintain a minimum daily balance of \$5.00 in this Account each day to obtain the disclosed Annual Percentage Yield (APY).
4. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The Dividend rate and Annual Percentage Yield for this account as of the last dividend declaration date are set forth on the Savings Rates Schedule.
5. A maximum of two (2) withdrawals per calendar year are allowed from this Account. An excess withdrawal fee may apply for additional withdrawals (see **Schedule of Fees & Charges**).

### **Penny Penguin's Pals Savings Accounts**

We offer a special account for children to encourage them to develop good savings habits at an early age. The child must be under 12 years of age.

1. The minimum deposit required to open and maintain a Penny Penguin's Pals Savings Account is \$10.00.
2. I must maintain a minimum daily balance of \$10.00 in this Account each day to obtain the disclosed Annual Percentage Yield (APY).
3. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The Dividend rate and Annual Percentage Yield for this account as of the last dividend declaration date are set forth on the Savings Rates Schedule.

### **Individual Retirement Accounts (IRAs)**

#### **Traditional and Roth**

1. The minimum deposit required to open and maintain an IRA Account is \$25.00.
2. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors. The Dividend rate and Annual Percentage Yield for this account as of the last dividend declaration date are set forth on the Savings Rates Schedule.
3. Additional deposits for current and prior year contributions are allowed at any-time with no required minimum deposit amount.
4. Maximum annual contributions are determined by IRS regulations. If you want contributions credited for a prior year (before the tax filing deadline of the current year, generally April 15) please send written instructions with your deposit.
5. Certain Federal and state Penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early.
6. Normal distributions are defined as withdrawals, made by you from an IRA, after age 59 ½, that are not reinvested in another retirement account; automatic, normal distributions are defined as withdrawals made from an IRA by AHFCU on your behalf, after age 59 ½, that are not reinvested in another retirement account; Required Minimum Distributions are defined as the amount you are required to withdraw from your IRA each year beginning the year you turn age 70 ½. All automatic, normal distributions and Required Minimum Distributions from IRAs are processed on the first business day of each month.
7. This account is subject to the applicable terms and conditions set forth in this Agreement and Disclosure as well as the terms and conditions set forth in the IRA Account Agreement and disclosure statement, which will be provided to you in accordance with applicable law.

## **Money Market Accounts**

1. The minimum deposit required to open this Account is \$2,500.00.
2. I must maintain a minimum daily balance of \$2,500.00 in this Account to avoid a monthly service fee. If, during any statement cycle, my Account balance falls below the required minimum daily balance, my Account will be subject to a monthly fee (see Schedule of Fees & Charges) for that statement cycle.
3. This is a tiered-rate Account. The minimum balance requirements for each tier and the corresponding dividend rate and Annual Percentage Yield (APYs) are set forth on the Savings Rates Schedule. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors.

## **Checking Accounts**

A Checking Account lets you withdraw your money and write checks against your account at any time. All Checking Accounts are verified through Chex Systems. We may refuse to open an account based on information provided by them.

We offer several Checking Accounts. Special terms and conditions applicable to each account are shown below. All other disclosures contained herein apply to all checking accounts, regardless of type.

### **Valued Checking:**

1. The minimum deposit required to open a Checking Account is \$50.00.
2. I must maintain a minimum daily balance of \$500.00 in this Account to avoid a monthly service fee. If, during any statement cycle, my Account balance falls below the required minimum daily balance, my Account will be subject to a monthly fee (see Schedule of Fees & Charges) for that statement cycle. The monthly fee will be waived for membership relationship levels.
3. There are no transaction limitations unless stated above.

### **Dividend Checking:**

1. The minimum deposit required to open a Dividend Checking Account is \$1,500.00.
2. I must maintain a minimum daily balance of \$1,500.00 in this Account to avoid a monthly service fee. If, during any statement cycle, my Account balance falls below the required minimum daily balance, my Account will be subject to a monthly fee (see Schedule of Fees & Charges) for that statement cycle. The monthly fee will be waived for membership relationship levels.
3. There are no transaction limitations unless stated above.
4. This is a tiered-rate Account. The minimum balance requirements for each tier and the corresponding dividend rate and Annual Percentage Yield (APYs) are set forth on the Savings Rates Schedule. The dividend rate and Annual Percentage Yield may change at any time, as determined by the Credit Union's Board of Directors.

### **Healthy Start Checking:**

1. The minimum deposit required to open a Healthy Start Checking Account is \$50.00.
2. This is a non-dividend earning account.
3. You will be charged a monthly service fee set forth in the Schedule of Fees & Charges.
4. There are no transaction limitations unless stated above.

**Student Checking:**

1. The minimum deposit required to open a Checking Account is \$10.00.
2. This is a non-dividend earning account.
3. You will be charged a monthly service fee set forth in the Schedule of Fees & Charges.
4. There are no transaction limitations unless stated above.

We may, at our discretion, but are not obligated to nor shall we be liable for refusal to pay funds from this account:

- a. When such payment would draw the account below the minimum balance for the account as established from time to time by us (“overdrafts”).
- b. If drawn by means not authorized in advance by us.
- c. Against checks presented over six (6) months past their dates.

We may pay and charge to your applicable account, checks drawn by and payable to any person, organization, associate, or corporation whom you have authorized by providing sample MICR-encoded information identifying your account, provided there are sufficient funds in your account to pay such checks. You agree that your rights in respect to such checks shall be the same as if it were a check drawn and signed by you personally. This authority shall remain in effect until revoked by you in writing (to us and to the agency to whom the sample MICR writing was provided) and we have had a reasonable opportunity to act on it. You agree that we shall be fully protected in honoring such checks. You further agree that if any such check is dishonored, whether with or without cause, and whether intentional or inadvertent, we shall be under no liability whatsoever, even though such dishonor results in the forfeiture of insurance, loss, or damage to you of any kind.

You agree that in the event you draw a check on your account with us that you will hold us harmless and indemnify us from any liability you incur due to a delay or misrouting of the check where the delay or misrouting is caused by markings placed on the check by you or prior endorser that obscure any depository endorsement placed by us or our agent.

This is a truncated checking account. Checks are provided with carbonless copies and are not returned with statements. Checks are microfilmed on both sides and stored for seven years from date of posting. You may request and we will provide you with a photocopy of a requested item within a reasonable time. We will not charge you for copies of the first two items you request appearing on any statement. Additional copies will be subject to an assessment of a fee (see Schedule of Fees & Charges). If you have not ordered Credit Union checks through our approved

check vendors, you understand and agree that we are not responsible for the quality of any check copy that you request from us.

If a transaction involves a remotely-created check, we reserve the right to accept or reject the item for deposit into any of your Accounts. If you deposit a remotely-created check into any of our Accounts, you represent and warrant to us that you have instituted procedures to ensure that these drafts are authorized by the person on whose account the remotely-created check is drawn in the amount stated on the check and to the payee stated on the check. If a remotely-created check which you have deposited into your Account is returned by the drawee-payor bank for any reason, you agree that we may debit your Account for the amount of the item, plus any applicable fees. If the debit causes your Account to be overdrawn, you agree to pay the overdrawn amount on our demand. For purposes of this Agreement, the term remotely-created check means a check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.

We may charge your account a postdated check even though payment is made before the date of the check. However, if you notify us within a reasonable time to permit us to act and identify the check with reasonable certainty, we cannot pay the check until the due date. Notice may be written or oral and it must include the exact amount, account number, check number, date of check, and name of payee. If oral, the notice shall be valid for fourteen (14) days. If written, the notice shall be valid for up to six (6) months for another successive six (6) month period. A fee may be assessed for this service (see Schedule of Fees & Charges).

All checks written on my account must be drawn in U.S. dollars.

**Check Printing:** We offer checks in a number of styles and at various prices. The cost of checks purchased through us will be automatically charged to your Checking account. If you purchase checks elsewhere, the form, encoding, and format of the checks must follow our check specification requirement and be approved by us in advance.

**Withdrawal Methods:** If you voluntarily give information about your account (such as your routing number and your account number) to a party who is seeking to sell you goods or services, and you don't physically deliver a check to the party, any debit to your account initiated by the party to whom you give the information is deemed authorized.

**Restrictive Legends or Endorsements:** We are not required to honor any restrictive legend or endorsement on items you write unless we have agreed to the restriction in a writing signed by an officer of the Credit Union.

**Joint Accounts:** Any joint owner who signs on a Checking account will be fully liable for any overdraft balance regardless of whether they signed, negotiated, or received benefit from the item(s) that caused the overdraft.

**Insufficient Funds:** If a check or other payment instrument or payment method is presented against your Checking account and the balance is not sufficient to cover the check and overdraft protection is not available, we may pay the item or refuse payment at our discretion. (Please see our current Schedule of Fees & Charges). If there are sufficient and available funds to cover some but not all of the items, we may pay those items for which there are sufficient available funds in any order at our discretion. Transactions may not be received and processed in the order they occurred, which can affect the total amount of NSF or overdraft fees. Except for negligence, you agree not to hold us liable for any action regarding the payment or nonpayment of any item.

**Overdraft Transfers:**

- Automatic Overdraft Transfers--Upon your request, we may set up automatic overdraft transfers for your Checking account. When sufficient funds are not available in your Checking account to cover a check or other debit, we will transfer the amount needed from your Share Savings or other Checking accounts, up to the available amount. However, federal regulation places limits on the number of certain transactions, including transfers for overdraft protection you make from Money Market and Share Savings Accounts.
- LOC Overdraft Protection Loans—You may apply for a Line of Credit (Overdraft Protection Loan) from which we will transfer in \$50.00 increments up to your available credit, to cover a check or ACH debit from your Checking account when sufficient funds are not available.

**Closure of Accounts:** We may close your Checking account if you are not in good standing with us or if you have had excessive incidents of returned items, returned deposits or other similar abuses.

**Stop Payment Request:** You may ask us to stop payment on any check drawn upon your Checking, or Home Equity Line of Credit accounts. You may request a stop payment in person, by telephone, mail, or through our Online Banking system. The stop payment will be effective if we receive it in time for us to act upon it and you provide the account number, check number, date written, and the exact amount. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for us to act upon it, we will not be liable to you or to any other party for payment of the item. If you request a stop payment by telephone, we may request that you confirm the stop payment in writing. A stop payment order is effective for 6 months, but it lapses after 14 calendar days if the original order was oral and was not confirmed in writing within that period. You agree to indemnify us against any and all liability, loss, cost, damages, attorneys' fees, and other expenses, including but not limited to any amount you are obligated to pay on the item, which you may sustain or incur as a result of us honoring your stop payment request. (See our current Schedule of Fees & Charges for stop payment fee.)

**Pledge of shares:** You may not pledge any or all of the funds on deposit in a checking account as security for any loan(s).

**Lost or Stolen checks:** You will notify us immediately if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.

### **Share Certificates (including IRA Certificates)**

Share Certificate accounts are available with terms from 3 months to 60 months.

The following minimum deposits are required to open a Share Certificate account. Please refer to the Savings Rates Schedule for current dividend rate and annual percentage yield information. See Early Withdrawal Penalties below if minimum balance is not maintained. The Account will mature as stated on your certificate.

- Regular           \$2,500
- IRA                \$1,000

### **Compounding and Crediting**

Dividends will be compounded and credited as set forth in your original Certificate Account Agreement and Disclosure. Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. Dividends will begin to accrue on the business day you place noncash items (e.g., checks) to your account. If the Account is closed before dividends are posted, accrued dividends will not be paid. Dividends are compounded monthly and credited to your account monthly, and upon maturity.

### **Transaction Limitations**

After the Account is opened, additional deposits to the Account are not permitted until the maturity date.

### **Early Withdrawal Penalties**

You may make withdrawals of principal from your account before maturity. Principal withdrawal is included in the amount subject to early withdrawal penalty. The early withdrawal penalty will be as follows:

- 1) For Certificate Accounts with a term of less than 12 months, the penalty will be an amount equal to 90 days of dividends on the principal amount withdrawn.
- 2) For Certificate Accounts with a term of 12 months or greater, the penalty will be an amount equal to 180 days of dividends on the principal amount withdrawn.

In accordance with Federal Reserve Board Regulations, the Credit Union may charge an early withdrawal penalty of seven (7) days dividends on amounts withdrawn within the first six (6) days after deposit.

Upon the death of the named Member owner, all funds in this Account, including accrued dividends, may be withdrawn without incurring a penalty.

The Annual Percentage Yield is based on an assumption that dividends will remain in the Account until maturity. An early withdrawal may reduce the principal balance and reduce earnings.

### **Renewal Policies**

This Account will automatically renew upon the maturity date and on the maturity date of any renewal term. There is a grace period of seven (7) days after the maturity date to withdraw funds in the Account without being charged an early withdrawal penalty. If automatically renewed, the Account will be renewed for a term equal or closest to that in effect of the initial term and at the dividend rate and Annual Percentage Yield in effect at that time for such a term.

### **Penny Penguin's Pals Term Share Certificate Accounts**

1. Penny Penguin's Pals Term Share Certificate Accounts are intended for children between the ages of 1-12 years. Upon reaching age 13, the Penny Penguins Pals Term Share Certificate Account will be closed and the account balance will be transferred to a Share Savings Account.
2. The Account will mature as stated on your certificate.
3. The minimum deposit required to open this Account is \$500.00. After the Account is opened, additional deposits to the Account are not permitted until the Maturity Date.

### **Compounding and Crediting**

Dividends will be compounded and credited as set forth in your original Certificate Account Agreement and Disclosure. Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. Dividends will begin to accrue on the business day you place noncash items (e.g., checks) to your account. If the Account is closed before dividends are posted, accrued dividends will not be paid. Dividends are compounded monthly and credited to your account monthly, and upon maturity.

### **Transaction Limitations**

After the Account is opened, additional deposits to the Account are not permitted until the maturity date.

### **Early Withdrawal Penalties**

You may make withdrawals of principal from your account before maturity. Principal withdrawal is included in the amount subject to early withdrawal penalty. The early withdrawal penalty will be as follows:

- 1) For Certificate Accounts with a term of less than 12 months, the penalty will be an amount equal to 90 days of dividends on the principal amount withdrawn.
- 2) For Certificate Accounts with a term of 12 months or greater, the penalty will be an amount equal to 180 days of dividends on the principal amount withdrawn.

In accordance with Federal Reserve Board Regulations, the Credit Union may charge an early withdrawal penalty of seven (7) days dividends on amounts withdrawn within the first six (6) days after deposit.

Upon the death of the named Member owner, all funds in this Account, including accrued dividends, may be withdrawn without incurring a penalty.

The Annual Percentage Yield is based on an assumption that dividends will remain in the Account until maturity. An early withdrawal may reduce the principal balance and reduce earnings.

### **Renewal Policies**

This Account will automatically renew upon the maturity date and on the maturity date of any renewal term. There is a grace period of seven (7) days after the maturity date to withdraw funds in the Account without being charged an early withdrawal penalty. If automatically renewed, the Account will be renewed for a term equal or closest to that in effect of the initial term and at the dividend rate and Annual Percentage Yield in effect at that time for such a term.

### **Trust Accounts**

All trust accounts will be governed by the terms and conditions of this Agreement and by the terms and conditions set forth in the Trustee's Account Agreement and Certification of Trust that you will be asked to sign when the account is opened. The Credit Union may ask the trustee to provide a Certification of Trust regarding any transaction. The Credit Union is not required to know, understand, interpret or enforce the terms of the Trust Agreement. The trustee agrees to notify the Credit Union of any changes in the terms of the trust that would affect the trustee's authority to transact business on the trust account or status of the membership of the parties to the trust.

### **Accounts for Minors**

For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a parent/guardian joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Signature Card. The Credit Union may make payments of funds directly to the minor without regard to his or her minority. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The minor account owner's tax identification number must be shown on the Signature card. The Credit Union shall not change the account status when the minor reaches age eighteen (18), unless authorized in writing.

### **Uniform Transfers to Minors Act (UTMA)**

Accounts opened under the Uniform Transfers to Minors Act are governed by the laws of the State of California. The funds in the account are owned by the child who has unconditional use of the account when he or she reaches the age of majority. Before that time, the account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. The Credit Union however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child's benefit. For this type of account, the child's SSN/TIN is used for the Backup Withholding Certification.

## **Electronic Funds Transfers**

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These disclosures are given by us in compliance with the Electronic Fund Transfer Act (15 U.S.C. Section 1693 et seq.) and Regulation E (12 CFT 1005 et seq.) to inform you of certain terms and conditions for use of the electronic services described in this Agreement. For purposes of these Electronic Funds Transfers disclosures, our business days are Monday through Friday, excluding federal holidays. Allied Healthcare FCU currently provides Members the following services to access their accounts at the Credit Union by electronic transfer:

- Online Banking
- Mobile Banking
- Mobile Deposit
- Bill Pay
- Statline (Audio Response)
- ATM withdrawals and deposits
- Point-of-sale purchases
- Electronic Check Conversions
- Merchant debit transactions
- Pre-authorized deposits of payroll funds
- Pre-authorized payments to third parties, such as insurance premiums, gym membership, etc.
- Pre-authorized transfers of deposits to or from another financial institution
- Federal recurring deposits such as Social Security, etc.

### **Online Banking**

By using the Online Banking system, you agree to the terms and conditions outlined in the Online Banking Disclosure and Agreement. You may use Online Banking for a variety of functions, including, (a) to verify certain information on your accounts, such as to check current balances, review transaction history, and verify the date and amount of your last deposit, (b) perform certain transactions, including share transfers, loan payments, credit card cash advances, and transferring funds from your Checking account to Savings, and (c) sign up for account alerts delivered to you via email or text.

### **Mobile Banking**

By using the Mobile Banking system, you agree to the terms and conditions outlined in the Mobile Banking Terms and Conditions agreement. You may use Mobile Banking to verify certain information on your accounts, such as to check current balances, review transaction history, locate fee-free ATMs, and view pending Online Bill Payment

requests. You may also perform certain transactions, including share transfers, loan and credit card payments, and scheduling bill payments.

### **Mobile Deposit**

By using Mobile Deposit Services, you agree to the terms and conditions outlined in the Mobile Deposit Services Agreement. You may use Mobile Deposit Services to make deposits remotely, by scanning checks and delivering the images and deposit information to the Credit Union or the Credit Union's processor. The Credit Union offers Mobile Deposit Services via online banking and smart phones. A downloadable application and log in authentication are required to use Mobile Deposit Services via smart phone. Consult your communications service provider for information on data rates or other charges.

### **Bill Payments**

To use our free Bill Payment service, you will need to register for the service by logging onto Online Banking and selecting "Bill Pay." By using the bill payment service, you agree to the terms and conditions outlined in the Bill Pay Disclosure and Agreement. You may use the online bill payment service to debit your Checking account to pay bills and make other payments via the Internet. To log into Online Banking and access our Bill Payment service, visit our web site at [www.ahfcu.org](http://www.ahfcu.org). You can also access our Bill Payment service via Mobile Banking. See Mobile Banking.

### **Statline (Audio Response Telephone Banking)**

Your account will be set up with access through Statline. In order to activate Statline, you must call 562.933.0370 press 1 or toll free at 844.472.4328, select an access code and identify yourself by answering a few questions. You may use your access code to verify certain information on your accounts, such as to check current balances, review transaction history, and verify the date and amount of your last deposit. You may also perform certain transactions, including transfers between share accounts, loan payments and withdrawals made from savings accounts for which a check will be mailed to your home.

**Debit MasterCard® Cards:** You may apply for a Debit MasterCard® card, which can be used to make purchases from your designated checking account anywhere MasterCard® is accepted, worldwide. The Debit MasterCard® card can also be used to perform transactions on your designated share and/or checking account(s) at automated teller machines and point-of-sale terminals. If you only have a savings account you may only access the ATM network with you Debit MasterCard Card. For security reasons, there are daily limits on the dollar amounts you withdraw at ATMs and purchases you make at POS terminals. You will receive a disclosure with your Debit MasterCard® with additional terms and conditions applying to the use of that card.

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

- pay for purchases;
- pay bills.

**Confidentiality:** We will disclose information to third parties about your accounts or the transfers you make only when one of the following conditions exist:

- when necessary to complete a transaction requested by you;
- in order to verify the existence and status of your account(s), such as for a retail merchant or credit reporting agency;
- in order to comply with government agencies or court orders;
- if you give us written permission.

**Ownership of Debit MasterCard® card:** Debit MasterCard® cards are the property of the Credit Union and you agree to surrender it to the Credit Union promptly upon demand. We may restrict your ability to make ATM withdrawals or revoke the Debit MasterCard® card at any time without prior notice or liability.

**Access Devices:** Debit MasterCard® card, Statline , Online Banking, Mobile Banking and Mobile Deposit services are all access devices, and Personal Identification Numbers (PIN), access codes, and passwords are collectively referred to by us as “access codes.”

By requesting, signing or using (or authorizing another person to sign or use) any card, device, or access code, you and the other person(s) agree to use the card, device, or access codes in accordance with the following terms and conditions.

**Confidentiality of access codes:** You agree to hold your access code in strict confidence and you will notify us immediately if your card or access code is lost or stolen. As a precaution, it is recommended that you memorize your access code and do not write it down. Furthermore, you should 1) not write your access code on your access device or any material carried with your access device; 2) never let anyone else use your access device; 3) never tell anyone your access code; 4) never let anyone watch you use your access device or access code.

**Transaction authorization:** By using your access device in conjunction with your access code, you authorize the Credit Union to provide account balance information, to accept deposits and payments, and to make withdrawals and transfers into or from your accounts with the Credit Union in accordance with commands entered. POS transactions are debited from your designated checking account only.

**Contact for lost or stolen card or PIN or misuse of check information:** If you believe your Debit MasterCard® card or access code has been lost or stolen, that someone transferred or may transfer money from your account without your permission, or you believe a transfer was made using the information from your check without your permission, call us at 562-933-0370, or write us at Allied Healthcare FCU, P.O. Box 93124, Long Beach, CA 90809-3124, ATTN: Security and Risk Management.

**Unauthorized Use:** If you believe your Card and/or access code has been lost or stolen, or that someone transferred or may transfer money from your Account without your permission, you agree to notify us

immediately. You may, call us at 562-933-0370, or write us at Allied Healthcare FCU, P.O. Box 93124, Long Beach, CA 90809-3124, ATTN: Security and Risk Management.

“Unauthorized use” means the use of your Card and/or access code by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which use you receive no benefit.

If you authorize someone to use your Card or access code, you are responsible for all transactions which that person initiates at any time, even if the amount of the transaction or the number of transactions exceed what you authorized.

**Liability For Unauthorized Use (Regulation E):** If you believe your Card and/or access code have been lost, stolen, or discovered by an unauthorized person, or you believe that an electronic withdrawal has been made without your authorization, and you tell us within two business days of your discovery, you can lose no more than \$50 if someone used your Card and/or access code without authorization. If you do NOT tell us within two business days after you learn of the loss or theft of your Card and/or access code, and we can prove we could have stopped someone from using your Card and/or access code without your permission if you had told us, you could lose as much as \$500.

Also, if your written statement; eStatement; or written or electronic Account history that is provided or made available to you shows electronic withdrawals that you did not make, tell us at once. If you do not tell us within 60 days after the statement, eStatement, or Account history is made available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or hospital stay) kept you from telling us, we will extend the time periods.

**MasterCard Zero-Liability for Unauthorized Use:** Your liability for unauthorized use of your Card when it is used for a merchant debit transaction and PIN-based POS/ATM transactions will not exceed \$0 if the following conditions have been met:

- you report the loss or theft of your card within 24 hours of discovering it lost or stolen;
- you can demonstrate that you have executed reasonable care in safeguarding your card from risk of loss or theft; and
- your account is in good standing.

If these conditions have not been met, the terms included in the section above, Liability for Unauthorized Use (Regulation E) may apply.

**Right to Receive Documentation:** You may not get a receipt every time you use your Debit MasterCard® at other ATMs or POS terminals for transactions of \$15 or less. You can get a receipt at the time you make a transfer to or from your account using one of our ATMs. If you have arranged to have direct deposits made to your accounts, you can call us at 562-933-0370 to find out whether or not the deposit

has been made. You will receive a monthly account statement, unless there are no transfers in a particular month. In any case, you will receive an account statement at least annually .

**Preauthorized Payments—Right to stop payment and procedure for doing so:** If you have told us in advance to make regular payments (pre-authorized payments) out of your account, you can stop any of these payments by doing the following:

Call us at 562-933-0370 or write us at P.O. Box 93124, Long Beach, CA 90809-3124, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and send it to us within 14 days after you call. Please see our current Schedule of Fees & Charges for stop payment fee. You may not place a stop payment on a Debit MasterCard® card transaction.

**Notice of varying amounts:** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be and how much it will be.

**Liability for failure to stop payment of preauthorized transfer:** If you order us to stop one of these payments three business days or more before the transfer is scheduled, and we do not do so, we will be liable for your reasonable losses or damages.

For one time payments, you must provide enough notification to allow reasonable opportunity for the Credit Union to properly process the stop payment.

**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 if:

- through no fault of ours, you do not have enough money in your account to make the transfer
- the transfer would cause the balance to exceed the credit limit on your Overdraft Protection Loan;
- the automated teller machine where you are making the transfer does not have enough cash;
- the terminal was not working properly and you knew about the breakdown when you started the transfer;
- circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken;
- there may be other exceptions not stated above.

**ATM Fees:** When you use an ATM not owned by us, you may be charged a fee by the ATM owner or any network used and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

**In case of errors or questions about electronic funds transfers:** Call us at 562-933-0370, or write to us at Allied Healthcare FCU, P.O. Box 93124, Long Beach, CA 90809-3124, as soon as you can, if you think your statement or receipt is wrong, or if you need more information about a transaction listed on your statement or transaction receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

In order to help you with your questions, we will need the following information:

- your name, account number, and transaction date in question;
- the error or the transfer you are unsure about, and why you believe there is an error or why you need more information;
- the dollar amount of the suspect transaction.

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 (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 calendar days (90 calendar 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 (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have 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. An account is considered a new account for 30 days after the first deposit is made.

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

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## **FUNDS TRANSFERS AGREEMENT AND NOTICE**

The law is intended to establish a comprehensive legal framework covering the duties, responsibilities, and liabilities of all parties involved in a funds transfer. This Funds Transfer Agreement (Agreement) contains several notices which you are required to provide to me and establishes other terms of agreement which will apply to all funds transfers which involve me and the Credit Union. Using the Credit Union to send or receive funds transfers shall constitute my acceptance of all of the terms and conditions contained in this Agreement.

To the extent that the terms contained in this Agreement are different than those in any other agreement or terms of account, this Agreement shall control and be deemed to modify such other agreements or terms of account.

1. This Agreement applies to Funds Transfers as defined in the Article 4A of the Uniform Commercial Code (Division II of the California Uniform Commercial Code) and Subpart B of Regulation J of the Board of Governors of the Federal Reserve.
2. The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time for wire transfers will be at 12:00 p.m., Pacific Time, on each business day. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next following business day and processed accordingly. Your account however may be charged on the day a request is received.
3. The Credit Union may charge my account for the amount of any funds transfer initiated by me or by any person authorized by me as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made.
4. The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. I will be notified of the security procedure, if any, to be used to verify payment orders issued by me or for which my account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure unless I notify the Credit Union in writing that I do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from me or other authorized parties on the account until I and the Credit Union agree, in writing, on an alternate security procedure.
5. If I send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that your rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J.
6. If I give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying account number, payment may be made by the beneficiary's bank on the basis of the identifying account number, even if the number identifies a person different than the named beneficiary. This means that I will be responsible to the Credit Union if the funds transfer is completed on the basis of the identifying account number I provided the Credit Union
7. If I give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different person or institution than the named bank. This means that I will be responsible for any loss or expense incurred by a receiving bank that executes or attempts to execute the payment order in reliance on the identifying number I provided.

8. The Credit Union may give me credit for Automated Clearing House (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. I am hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from me of the amount credited to me in connection with that ACH entry. This means that the Credit Union may provide me with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on my account and I will be liable to repay the Credit Union.
9. ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide me with next day notice of receipt of ACH credit transfers to my account. I will continue to receive notices of receipt of ACH items in the periodic account statements whether or not a specific funds transfer has been received.
10. If the Credit Union receives a funds transfer for me or for other persons authorized to have access to my account, I agree that the Credit Union is not obligated to provide me with next day notice of the receipt of the funds transfer. The Credit Union will provide me with notification of the receipt of all funds transfers by including such items in the periodic account statements which the Credit Union provides. I may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received. If the Credit Union receives notice that a wire transfer transmitted by the Credit Union has been rejected, the Credit Union will notify you of such rejection by telephone, electronic message or U.S. mail. The Credit Union will have no further obligation to transmit the rejected wire transfer if it complied with this Funds Transfer Agreement with respect to the original transfer request.
11. If the Credit Union becomes obligated under Article 4A (Division II of the California Uniform Commercial Code) to pay interest to me, I agree that the rate of interest to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.
12. The Credit Union may, in its sole discretion, reject any funds transfer request which: (1) exceeds the collected and available funds on deposit in my designated account(s); (2) is not authenticated to the Credit Union's satisfaction or which the Credit Union reasonably believes may not be authorized by me; (3) contains incorrect, incomplete, or ambiguous information; (4) involves funds subject to a lien, hold, dispute, or legal process pending their withdrawal; or (5) involves a transfer that is prohibited under applicable law, rule, or regulation. I understand and agree that the Credit Union shall incur no liability for any loss occasioned by the Credit Union's refusal to accept any funds transfer order.

13. The Credit Union will comply with regulations issued by the U.S. Treasury's Office of Foreign Assets Control (OFAC). For any transfer request, including International ACH Transactions (IATs) that is to an entity listed on OFAC's list of specially designated nationals and blocked persons by law, the Credit Union shall not complete the transfer and shall "block" the funds until such time OFAC issues a written release to the Credit Union. The Credit Union shall have no liability to the Member as a result of the Credit Union's rejection of the transfer request or internal transfer if it complies with the terms of this Agreement. In the event the transfer request is delayed or rejected, the Credit Union will provide the account holder such notice as required by NACHA Rules, OFAC Rules, and other applicable laws and regulations.
14. The Credit Union shall have the right to charge the amount of any funds transfer request to any of my accounts at the Credit Union in the event that no account is designated or in the event that a designated account has insufficient collected funds to cover the amount of a funds transfer request. The Credit Union may charge a service charge for services relating to the sending or receiving of the funds transfer request. Such charge(s) are set forth in the Credit Union's Schedule of Fees & Charges, which is incorporated by this reference.
15. Except as expressly prohibited by applicable state and federal laws and regulations, I understand and agree that the Credit Union will not be liable for any loss or liability arising from: (1) any unauthorized or incorrect transfer or interest thereon (including, but not limited to, fraudulent transfers and/or a transfer which the credit union failed to abide by the agreed upon security procedures) which I fail to report to the Credit Union within thirty (30) days after my receipt of notification of the transfer; (2) any negligent or intentional action or inaction on the part of any person not within the Credit Union's reasonable control, including, but not limited to, the failure of other financial institutions to provide accurate or timely information; (3) the failure of other financial institutions to accept a funds transfer order; (4) my negligent or intentional action or inaction and/or breach of this Agreement; (5) any ambiguity or inaccuracy in any instruction given to the Credit Union by me or my authorized agent; (6) any error, failure, or delay in execution of any funds transfer instruction, or cancellation or amendment caused by circumstances beyond the Credit Union's reasonable control, including, but not limited to, any computer or communication facilities malfunction.

Except as otherwise provided by applicable state or federal laws or regulations, the Credit Union's liability for any negligent or intentional action or inaction in connection with any funds transfer request shall be limited to my direct loss and payment of interest. **UNDER NO CIRCUMSTANCES SHALL THE CREDIT UNION BE LIABLE FOR ANY LOST PROFITS, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES WHICH I MAY SUFFER IN CONNECTION WITH THIS AGREEMENT AND/OR ANY FUNDS TRANSFER REQUEST.**

16. Except as otherwise expressly provided by applicable state and federal laws and regulations, this Agreement and all transactions initiated hereunder shall be governed by and construed in

accordance with the internal laws of the State of California, notwithstanding any conflict of laws or doctrines of such state to the contrary.

## **YOUR LIABILITY FOR OVERDRAFTS**

**General:** 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. Among other things, you should keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payment you have authorized), as your available balance (discussed in more detail below) will not reflect these transactions until they are paid from your account.

“Overdrawing” your account means that there are not sufficient available funds in your account to pay for a transaction. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under our Bill Payment Service, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet “available” according to our Funds Availability Policy.

## **PAYMENT OF OVERDRAFTS**

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 transaction 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 insufficient funds activity, and report the account to a consumer reporting agency.

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. If we pay an item in accordance with our Courtesy Pay Service (described in more detail below), we will charge a Courtesy Pay Fee, (See Schedule of Fees). If we return an item, we will charge a Non-Sufficient Funds (NSF) Fee, (See Schedule of Fees).

We limit the number of NSF and Courtesy Pay Fees we charge in a business day. We will not charge a fee if your ending account balance is overdrawn by \$10.00 or less. The maximum number of overdrafts due to insufficient or unavailable funds that will be subject to overdraft charges in one day is three (3).

We recommend that you enroll in one of the optional overdraft protection plans described below. These plans can help you avoid overdrafts and returned items. While fees apply when you use an optional

overdraft protection plan, the fees under the plan are less expensive than NSF and Courtesy Pay Fees. Refer to the “Optional Overdraft Protection Plans” section below for more information.

## **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, by phone, 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 this balance are considered accessible for transactions on your account. The actual balance is also referred to as: (a) your “Account Balance” on Credit Union ATM screens; (b) your “Balance” in online banking, and (c) your “Current” balance in mobile banking. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending or pending deposits that are subject to holds under our Funds Availability Policy. 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 any purchases, 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 use 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 were to 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 preauthorization request that resulted in an 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 post the transaction to your account and your actual balance will be reduced by the amount of the posted transaction.

We use your available balance to determine when your account is overdrawn. 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, we may pay the \$40 check, but you will be charged a Courtesy Pay Fee, (See Schedule of Fees).

Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

**YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THAT THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.**

This is because 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 of 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, cash 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, which generally occurs when the transaction has been received by us and paid from your account. 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 or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

We may pay or authorize some transactions, and decline or return others, in any order we deem appropriate to the extent permitted by law. When the available balance in your account is not sufficient to cover all of the transactions presented that day, some posting orders can result in more returned items and more overdraft and returned item fees than other posting orders.

Some items are received by us individually and others are received in batches at various times each business day. Items that we currently receive individually include ATM withdrawals, point-of-sale (POS) transactions, and teller transactions. These individual items are generally posted to your account as they are received by us each business day. Items that we currently receive in batches include checks drawn on your account presented by other financial institutions, “on us” checks, and ACH transactions. Items within a batch presented at the same time on any given day are cleared in dollar amount order, lowest to highest amount, beginning with lower dollar amounts clearing first, followed by higher dollar amounts. We generally post batched transactions as they are received throughout each business day (subject to certain exceptions). For ACH batch transactions we receive at the same time on a particular business day, we will generally post credits first and the debit items in low-to-high dollar amounts.

The order in which items are posted to your account will depend on a number of factors. For example, in connection with our item posting process, we reserve the right to: (i) establish different categories of items, (ii) establish a posting order for each category of items(s), (iii) establish different posting orders for items within each category, and (iv) change the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by applicable law, we have the right to change any of the factors limited by applicable law, we have the right to change any of the factors described in (i), (ii), (iii) and (iv) listed above at any time without notice to you.

#### **AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS**

When you use your debit card to pay for good 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 payments 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 the actual transaction amount is known, such as at a restaurant or gas station (e.g., at a restaurant, you may choose to add a tip to the transaction amount). 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.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

#### **OPTIONAL OVERDRAFT PROTECTION PLANS**

We offer optional overdraft protection plans that you may apply for, such as a personal Line of Credit loan account where your line of credit is used for overdraft protection and an Overdraft Transfer Service where funds from a linked savings account are used for overdraft protection. If you qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Courtesy Pay Service when your account is overdrawn. A line of Credit and the Overdraft Protection Request plan may save you money on the total fees you pay us for overdraft protection.

- **Line of Credit:** This is a revolving line of credit, which is available to members meeting certain credit requirements. With this plan, you authorize us to automatically advance in \$50.00 increments from your Line of Credit (linked to your checking account) to cover your overdraft, up to your credit limit. You must repay what you have borrowed in full or in minimum monthly payments (in addition to any late charges, finance charges and annual fees). If you are approved for a Line of Credit, you will be provided with our Credit and Security Agreement, which contains the terms and conditions applicable to the Line of Credit.
- **Overdraft Protection Request:** With this service, you authorize us to make transfers of available funds automatically from your regular savings account to cover overdrafts in your checking account. Transfers from your savings account are made in the exact amount of the overdraft. Each transfer counts as one of the six (6) limited transactions you are allowed each month from your regular savings or money market account. You must request to enroll in this service.

Overdrafts paid by the Overdraft Protection Request are subject to a per-item Overdraft Transfer Fee, (See Schedule of Fees & Charges).

If you decline to utilize any of the optional overdraft protection plans and you are not eligible for our Courtesy Pay Service, and there are insufficient funds in your checking account to pay an item, your items will not be paid, they will be returned and an NSF Fee will be charged for each item returned. Transfers will appear on your periodic statements for each applicable account.

### **LIMITS ON OVERDRAFT PROTECTION**

We will not transfer more than the available account balance in a linked regular savings account or the available credit (as of the end of the previous business day) on a Line of Credit account, even if the amount of the overdraft is more than the available amount. If the available balance in a linked regular savings account or the available credit on a Line of Credit account is not enough to pay the transactions you have initiated on any day plus the Overdraft Transfer Fee, we will transfer enough funds to pay one or more transactions plus the fee. Any transactions that are not paid by the transfer will either be paid or returned, and Overdraft Transfer Fees or NSF Fees will be charged as if you did not have overdraft protection.

### **TERMINATION OF OPTIONAL OVERDRAFT PROTECTION PLANS**

We may terminate optional overdraft protection services at any time with or without notice to you. Any owner of the checking account, any owner of a linked regular savings account used for overdraft protection, or any borrower on a Line of Credit account used for overdraft protection may cancel overdraft protection in person or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

### **COURTESY PAY SERVICE AGREEMENT**

In accordance with our commitment to provide valued service and benefits, we may, at our discretion, pay your overdrafts that would cause your eligible checking account to have a negative balance up to the amount of your Courtesy Pay limit, which is determined by us in our sole and absolute discretion. We refer to this service as our Courtesy Pay Service (hereinafter referred to as the "Service"). The Service is different than the Line of Credit and the Overdraft Protection Request plans. The Service is a backup to your existing overdraft protection plans and will only be activated if funds are not available from those plans. This Courtesy Pay Service Agreement sets forth the terms and conditions applicable to the Service.

### **What Overdraft Transactions are Covered?**

The Service is available only for the payment of checks, preauthorized payments under our online Bill Pay Service, and ACH drafts and debits. The Service is not available for telephone-initiated transactions. The Service is not available for one-time debit card transactions, unless you opt-in, as described in the next section below.

## **Optional Overdraft Transactions**

If you would like to include debit card transactions in the Service, you are required to “opt-in” (in other words, you must provide us with your affirmative consent). Choosing not to opt in may result in debit card transactions being declined.

You understand and agree that we do not require you to authorize the Service for your one-time debit card transactions as a condition of us providing the Service to you for your checks, ACH transactions or other transactions subject to this Courtesy Pay Service Agreement. If you want the Credit Union to authorize and pay overdrafts for one-time debit card transactions, you must provide us with your consent by: (1) calling us; (2) visiting any branch and speaking with a Member Service Representative; or (3) mailing an opt-in consent form.

### **Eligibility for the Service**

Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. The Service is available for checking accounts for which the primary checking account owner is 18 years of age or older, is in good standing, and the account has been open for at least thirty (30) days with the applicable minimum balance requirement. We reserve the right to limit the Service to one (1) account per household or member. We may suspend or permanently revoke the Service from your checking account, in our sole and absolute discretion.

### **The Service is a benefit**

Any payment made by us under the Service will be made on a case-by-case basis, in our sole and absolute discretion. The Service does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. The Service is a privilege 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.

### **How the Service is Administered**

If you are eligible for the Service, you acknowledge and agree that we reserve the right to limit the number of checks or other items/transactions that may be paid by us through the Service during any given month. 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.

### **When is the overdraft payment due?**

The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

### **Courtesy Pay Fees**

A Courtesy Pay Fee will be charged to your checking account, in accordance with our Schedule of Fees for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Service. Refer to the Schedule of Fees and daily fee limit amounts. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through the Service and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under the Service, you are subject to a NSF Fee for each such item in accordance with our Schedule of Fees. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

### **Transfers to Cover Overdrafts**

You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

### **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 Service (see below), 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 this Courtesy Pay Service Agreement.

### **Default**

You will be in default under the terms of this Courtesy Pay Service Agreement if you fail to comply with any of the terms and conditions set forth herein or you are in default on any loan obligation 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 Pays, terminate the Service or close your checking account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorney's fees and court costs that we may incur as a result of your default.

### **Termination; Suspension**

We may terminate or suspend the Service 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. We can delay enforcing any of our rights under this Agreement without losing them.

### **Your Right to Opt Out of the Service**

If you prefer not to have the Service, contact us and provide your name, member number and a written statement that you are opting out of the Credit Union's Courtesy Pay Service and we will remove the Service from your checking account. If you opt out of the Service, you will still be charged our NSF Fee for each item returned.

### **Optional Overdraft Protection Plans**

As discussed in more detail above, we also offer optional overdraft protection plans, such as a link to a savings account or a Line of Credit account, which may be less expensive than our Courtesy Pay Service. To learn more, please ask us about these plans.

**The best way to know how much money you have and avoid paying overdraft fees is to record and track all of your transactions closely.**

**IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS SECTION, YOUR LIABILITY FOR OVERDRAFTS, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US DURING BUSINESS HOURS.**

## CONTACT US

562-933-0370

Monday, Tuesday & Thursday

Wednesday

Friday

9:00 – 4:30pm

10:00 – 4:30pm

9:00 – 5:00pm

## WEBSITE

[www.ahfcu.org](http://www.ahfcu.org)

## STAT LINE (Audio Response)

844-IS-AHFCU

844-472-4328

## MAILING ADDRESS

P.O. Box 93124

Long Beach, CA 90809-3124

## ATM LOCATIONS

Visit our website for a list of AHFCU  
and CO-OP Network ATMs



Federally Insured by NCUA

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