

# LGFCU

## Account Rules and Regulations

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Agreement and Disclosure  
of Share and Deposit  
Account Rules





This brochure provides information to help you understand the terms and agreement of your account with Local Government Federal Credit Union (LGFCU). When you open, maintain or access an account of any type with the Credit Union, you are consenting to the terms of this agreement. This agreement discloses the conditions and rules that govern accounts.

## **Understanding Your LGFCU Share and Deposit Accounts**

Local Government Federal Credit Union (LGFCU) offers a wide variety of account services. This Rules and Regulations document (this agreement) is the account agreement between you and LGFCU governing all of the following accounts at LGFCU: Share Accounts (including FAT CAT® Share Accounts and Zard® Share Accounts), Holiday Cash Club Accounts, Salary Advance Cash Accounts (in connection with Salary Advance Loans), Individual Retirement Accounts (IRAs), Coverdell Education Savings Accounts (Coverdell ESAs), Simplified Employee Pension IRAs (SEP IRAs), Health Savings Accounts (HSAs), dividend Checking Accounts (including Zard Checking Accounts), CashPoints® Global Accounts (CPGs), Money Market Share Accounts, Receipt and Agreement accounts and Share Term Certificates (STCs).

This agreement is incorporated into the account signature form associated with each of your accounts. Read and keep this agreement so you can refer to it when you have questions about your accounts. When you open, change or access your accounts with LGFCU, you consent to the terms of this agreement. Please visit [lgfcu.org](http://lgfcu.org) for the

most up-to-date version of this agreement. You can also contact your local branch or call us at 888.732.8562\* to request a copy. If you have any questions regarding this agreement, please let us know.

## **Local Government Federal Credit Union Member Identification Notice**

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. We may also ask to see your identifying documents if you change your name or complete a transaction, such as a withdrawal.

## **General Provisions**

**Use of Certain Terms:** "You" or "your" refers to each person signing an account signature agreement, anyone who owns an account or anyone who has access to or control over an account (including your agents, such as attorneys-in-fact and personal agents). "We," "our," and "us" refer to LGFCU. "Item" refers to any means by which funds are debited from or credited to your account, including but not limited to checks, drafts, fees, withdrawal orders and electronic means of transfers.

**Governing Law:** This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

## **Effect of State and Federal Laws and Regulations:**

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

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\* Calls may be recorded for quality assurance.

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

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

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

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

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

## **Truth-In-Savings Disclosure**

The following information is required by the Truth-in-Savings Act and provides specific terms and features of your account(s), including dividend and interest rates, fees, account limitations and other account terms.

## **Rate Information**

Current dividend rates along with corresponding annual percentage yields (APYs) for all share and deposit accounts are disclosed in the "LGFCU Share and Deposit Account Rate Summary" which may be obtained at any branch office. In addition, you may verify current rates and APYs on our website, [lgfcu.org](http://lgfcu.org), or by visiting your local branch.

Dividend rates for accounts are set by our Board of Directors at its discretion and are subject to change daily without notice.

**Dividend Rates:** Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. Dividends are paid on Share Accounts (including FAT CAT Share Accounts and Zard Share Accounts), Holiday Cash Club Accounts, Salary Advance Cash Accounts, IRAs, SEP IRAs, HSAs, Coverdell ESAs, dividend Checking Accounts (including Zard Checking Accounts), Money Market Share Accounts and Receipt and Agreement accounts. These accounts are variable rate accounts, which means the dividend rate and APY may change.

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

## **Compounding, Crediting and Accrual of Dividends**

**Dividends:** Dividends will begin to accrue on the business day you deposit cash or non-cash items to your account. Dividends for Share Accounts (including FAT CAT Share Accounts and Zard Share Accounts), Salary Advance Cash Accounts, IRAs, SEP IRAs, HSAs, Coverdell ESAs, dividend Checking Accounts (including Zard Checking

Accounts), Money Market Share Accounts and Receipt and Agreement accounts will be compounded daily and will be credited monthly on the same day the monthly statement is generated (the statement date).

Dividends are not compounded on STCs; it accrues as a simple daily dividend. Dividends are paid monthly by automatic transfer from the STC into an account of your choice at LGFCU; however, if the term is 6 or 12 months, you may request instead that dividends be paid when the STC matures. Dividends that are transferred to another account will earn dividends at the current rate being paid for that type of account. Dividends will begin to accrue on the business day you deposit cash or non-cash items to your account, when opening the account or during the grace period. See the Share Term Certificate section.

### **Balance Information**

#### **Share Account Requirement and Minimum Balance:**

The par value in this Credit Union is \$5. A balance of at least five shares (\$25) in at least one share account is required to establish and maintain membership (except FAT CAT eligible members, described below). The balance in each of your share accounts must not be reduced below the value of five shares (\$25) at any given time. We may limit access to your initial five shares (\$25) in each of your share accounts (including Coverdell ESA, IRA, and SEP IRA Accounts).

For FAT CAT eligible members (individuals aged 12 years and younger), a balance of at least one share (\$5) in a FAT CAT share account or five shares (\$25) in a share account is required to establish and maintain membership. Withdrawals from a FAT CAT share account are not allowed until the balance exceeds five shares (\$25). Then, the balance in your FAT CAT share account must not be reduced below the value of five shares (\$25) at any given time and we may limit access to your five shares (\$25).

**Minimum Balance to Open an Account:** The minimum balance to open a Share Account, Zard Share Account, Coverdell ESA, IRA, or SEP IRA is five shares (\$25). The minimum balance to open a FAT CAT Share Account is one share (\$5). The minimum balance to open a Money Market Share Account or Share Term Certificate is \$250.

**Minimum Balance to Avoid a Fee:** For Share Accounts, IRAs, Coverdell ESAs, and SEP IRAs, you must maintain \$25 in your account to avoid a service fee. If your account balance is below \$25 on the statement date, your account will be subject to a service fee for the month. For Money Market Share Accounts, you must maintain \$250 in your account to avoid a fee. If your account balance falls below \$250 during any statement period, your account will be subject to a service fee for the statement period. A minimum balance is not required to avoid a fee on FAT CAT Share Accounts, Holiday Cash Club Accounts, Salary Advance Cash Accounts, HSAs or Receipt and Agreement accounts. A minimum balance is not required to avoid a fee on dividend Checking Accounts or Zard Checking Accounts; however, these accounts are charged a monthly maintenance fee regardless of the balance. There is no minimum balance required to avoid a fee on a CPG Account; however, CPG Accounts are charged a monthly maintenance fee if there is a balance in the account on the statement date.

**Minimum Balance to Earn Dividends:** You must maintain a minimum daily balance of \$250 in your Money Market Share Account to obtain the disclosed APY. Dividends will accrue every day the balance remains at or above \$250. There is no minimum balance requirement to earn dividends on Share Accounts, FAT CAT Share Accounts, Zard Share Accounts, Holiday Cash Club Accounts, Salary Advance Cash Accounts, IRAs, Coverdell ESAs, SEP IRAs, HSAs, Receipt and Agreement accounts, dividend Checking Accounts or Zard Checking Accounts.

**Balance Computation Method:** Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day. For more information regarding minimum balance requirements and fees, see the included Service Fees and Terms chart.

## **Fees**

You are responsible for paying any fees and charges associated with your account. These fees may be deducted from your account and can cause the account to have insufficient funds to pay other items. Fees are subject to change at our discretion and in accordance with law. For a full list of fees and charges that may affect

your account, see the included Service Fees and Terms chart. Dividend checking and CPG Accounts are charged a monthly maintenance fee. If there are insufficient available funds to cover the monthly maintenance fee, the unpaid fee will generally accrue and be debited from your account when sufficient funds become available. Maintenance fees will not accrue for CPG Accounts with a zero balance on the statement date.

Zard checking accounts are charged a monthly maintenance fee and do not have the option of contributing any portion of the fee to the SECU Foundation. Zard checking accounts automatically convert to dividend checking accounts when the owner turns 20 years old. Upon conversion, \$1 of the monthly maintenance fee is contributed to the SECU Foundation unless you opt out.

Checking accounts held in the name of an estate are also charged a monthly maintenance fee and do not have the option of contributing any portion of the fee to the SECU Foundation.

### **Transaction Limitations**

LGFCU reserves the right to require a member intending to make a withdrawal from any account (except dividend checking, non-dividend checking, HSA or CPG Accounts) to give written notice of such intent not less than seven days and up to 60 days before such withdrawal.

No checks can be written and no Automated Clearing House (ACH) debits are allowed on Share Accounts (including FAT CAT Share Accounts and Zard Share Accounts), CPG Accounts, HSAs, IRAs, Coverdell ESAs, Money Market Share Accounts, or STCs. BillPay Service is available for CPG Accounts and HSAs.

No transactions are allowed on Receipt and Agreement accounts unless authorized by court order.

No debits are allowed on Holiday Cash Club Accounts, except for the automatic debits agreed to in writing during account opening and debits made to close the account.

No debits are allowed from Salary Advance Cash Accounts except for debits made to close the account; however, if you close your Salary Advance Cash Account,



you may lose your eligibility to obtain future Salary Advance Loans for 12 months.

### **Regulation D Limitations**

The Federal Reserve Bank's Regulation D limits certain withdrawals and transfers from your share accounts (including FAT CAT Share Accounts and Zard Share Accounts), IRAs, Coverdell ESAs, SEP IRAs and Money Market Share Accounts. The following types of withdrawals and transfers from these types of accounts are limited to a total of six per account per calendar month:

- ▶ Internet transfers to another deposit or Share Account
- ▶ Phone transfers to another deposit or Share Account
- ▶ Overdraft transfers to a Checking Account
- ▶ Automated funds transfers to another deposit or Share Account
- ▶ Funds transfers or withdrawals not initiated in person at a branch and payable to a third party (such as a wire transfer request)
- ▶ Safe deposit box auto-debit fees that occur yearly

The following types of withdrawals and/or transfers are not limited on your Share Accounts and Money Market Share Accounts and can be performed as often as needed:

- ▶ Transactions completed in person at a branch
- ▶ Transactions performed at an ATM
- ▶ Transfers to loans or credit cards
- ▶ Transactions sent to LGFCU by mail

The following types of withdrawals and/or transfers are not limited on your IRAs, Coverdell ESAs and SEP IRAs and can be performed as often as needed (subject to any limitations stipulated by the Internal Revenue Service):

- ▶ Transactions completed in person at a branch
- ▶ Transactions sent to LGFCU by mail

NOTE: Accounts that are exempt from Regulation D and therefore have no withdrawal and transfer limitations are

as follows: dividend Checking Accounts, Zard Checking Accounts, CPG Accounts and HSAs.

### **Share Term Certificates (STCs)**

**STC Terms:** An STC is a fixed rate account, which means the rate will not change during the term of the STC. You select the amount and term of the STC at the time the account is opened. Terms available for selection are 6, 12, 18, 24, 30, 36, 48 and 60 months. Subsequent deposits or partial withdrawals are not allowed during the term of the STC.

**Laddered STCs:** Laddered STCs are five certificates opened with graduated maturity dates over five years, allowing you to access an STC once per year (as each STC renews) without penalty. Laddered STCs have terms that initially range from 12 months to 60 months, in 12-month increments. When a 12-month Laddered STC matures, it automatically renews into a new 60-month STC. Similarly, each of the other four STCs automatically renews into a 60-month STC at maturity. If you do not withdraw the funds early, after five years you will have five 60-month STCs, one of which matures each year.

**Dividend Payments:** For 6- and 12-month STCs, you may choose to have the dividends earned paid to the STC or to another account at LGFCU. Dividends earned for all other STCs must be paid to another account at LGFCU.

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

**Renewal/Maturity:** You may choose whether you would like your STC to renew or transfer to another account at maturity. If you choose renewal, the STC will automatically renew into a new STC for the same term (except for Laddered STCs) at the then-offered dividends rate for that term unless you specifically request in writing that the balance be transferred into another LGFCU account at maturity. This request must be made prior to maturity. Generally, 14 days prior to maturity or renewal, LGFCU will send you a notice indicating whether the STC will mature or automatically renew. If the STC matures, the STC funds will be paid into the account at LGFCU you selected.

**Grace Period:** An STC may be cancelled without penalty during the grace period, the seven days following an automatic renewal. If you choose to cancel the STC during the grace period, the STC will earn dividends for the days from the renewal until the cancellation at the Share Account rate. You can make one partial deposit to or withdrawal from an STC during the seven-day grace period without penalty.

## **Rules for Specific Account Ownerships, Beneficiaries and Designees**

### **Joint Accounts**

All joint accounts are governed by North Carolina General Statute 54-109.58. All joint accounts shall be held by the owners as co-owners with the right of survivorship, regardless of which owner deposited the funds or whose money was deposited. Each joint owner has the right to withdraw any or all of the funds in the account and/ or close the account, without the knowledge or consent of any other joint owner. We may pay the funds in the account to, or on the order of, any of the joint owners named on the account.

Upon the death of one joint owner, the funds remaining in the account will belong to the surviving joint owners and will not pass to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

Each joint owner appoints each of the other joint owners as his or her agent to deposit, withdraw and conduct any business on the joint account, including pledging the account. Each joint owner guarantees the signatures of the other joint owners and authorizes the other joint owners to endorse and deposit checks, drafts or other payment orders that are payable to any of the joint owners into the joint account. Any joint owner may appoint an attorney-in-fact for the account, but we reserve the right to require the consent of all joint owners. You agree that each joint owner may withdraw or transfer any or all of the funds on deposit, by any means LGFCU makes available, including but not limited to closing the account, placing or removing a stop payment order, designating the account as a protecting account for LGFCU's Overdraft Transfer Service or, for STCs,

changing the renewal option or the account into which dividends or principal upon maturity is paid, all without the knowledge or consent of any other joint owner. Each joint owner authorizes LGFCU to exercise setoff and enforce its lien on the entire joint account, even if only one of the joint owners is the debtor; these rights exist irrespective of who contributes funds to the joint account. (See the Statutory Lien; Right of Setoff; Security Interest section.) LGFCU is not bound by the knowledge of, and has no duty to inquire as to, the source of funds deposited into the joint account. Each joint owner shall have an equal and undivided interest in the entire account regardless of the source of funds. Notice provided by LGFCU to any one joint owner is notice to all joint owners.

**Removal of a Joint Owner:** Joint owners may voluntarily remove themselves from a joint account, at any time, without the authorization of the remaining owners by completing an addendum to the account signature form. You agree that the signatures of the remaining owners are not required in order to remove a joint owner and that the addendum shall validly amend the account signature form, but only to the extent necessary to remove the owner's interest in the account. After a voluntary removal, the account continues in the names of the remaining owners, who will be notified of the change in ownership.

The removing owner relinquishes his or her rights to the account, including the right of survivorship, and will no longer be authorized to make withdrawals, initiate debit transactions, write checks, or obtain information about future activity on the account. The removing owner will remain liable for any debts incurred and checks or debits authorized during the period in which he or she was a joint owner on the account. If the account has been pledged to secure a loan made to or guaranteed by the removing owner, the removing owner's relinquishment of rights will not release the account as collateral or affect the pledge in any manner.

When joint owners voluntarily remove themselves from an account, remaining owners should review and update the statement address, Overdraft Transfer Service, dividend maturity accounts for STCs and Holiday Cash Club Accounts, BillPay records, funds transfers and payroll deductions, as applicable.

If, for any reason, an account signature form with co-owners fails to create a statutory joint account with right of survivorship, you agree that the account shall be held as a joint account with right of survivorship under contract and common law and shall have the characteristics described in this section.

### **Payable on Death Accounts**

Payable on Death (POD) accounts are governed by North Carolina General Statute 54-109.57A. POD accounts may have multiple owners and multiple beneficiaries. If there are two or more owners, the owners shall own the account as joint tenants with right of survivorship. By written notice to LGFCU, the owners may change the beneficiaries any time.

Upon the death of the last surviving owner, the money remaining in the account will belong to the beneficiaries and will not pass to the heirs of the deceased owners or be controlled by will. Distribution to beneficiaries, however, is subject to our review of documentation establishing the death of the account owner and the identity of the beneficiaries. If there are multiple beneficiaries, we will close the resulting joint account with right of survivorship and distribute the funds in equal shares to the beneficiaries then living.

If, for any reason, an account signature form designating one or more POD beneficiaries fails to create a statutory POD account, you agree that the account shall be held as a POD account under contract and common law and shall have the characteristics described in this section.

### **Uniform Transfers to Minors Act Accounts**

Uniform Transfers to Minors Act (UTMA) accounts are governed by the provisions of the North Carolina Uniform Transfers to Minors Act, Chapter 33A of the North Carolina General Statutes. Transfers to minors under the UTMA are irrevocable gifts to the minors. The account agreement designates a custodian who will have the authority to make withdrawals, obtain information, and otherwise manage the account. The custodian will not have any ownership rights or interests in the account. The custodian may also designate a successor custodian who may act in the event the custodian dies, resigns or becomes incapacitated. We may limit certain withdrawals and transfers from UTMA

accounts. For example, you may not be able to complete point of sale debits or ATM withdrawals.

### **Personal Agency Accounts**

Personal agency accounts are governed by North Carolina General Statute 54-109.63. The agent named on the account may sign checks, withdraw funds, make deposits and obtain account information. A personal agent has no ownership rights or interest in the account. If an owner of the account becomes incapacitated or mentally incompetent, you agree that the agent will have the authority to continue acting on behalf of the owners. The personal agent's authority ends upon the death of the last owner and the money remaining in the account will be released to POD beneficiaries or controlled by the will or inherited by the heirs of the last account owner to die.

### **Powers of Attorney**

We may accept a power of attorney document which allows an attorney-in-fact to act on your behalf. Prior to allowing an attorney-in-fact to act on your behalf, we may ask for a copy of the document and ask your attorney-in-fact to complete an affidavit stating that the power of attorney document is currently valid, the powers granted can be exercised by the attorney-in-fact, and that the attorney-in-fact is not aware of any circumstances that would cause the power of attorney document to be ineffective, such as revocation. In some instances, the power of attorney document may need to be recorded with the Register of Deeds before it can be accepted. We may continue to recognize the authority of your attorney-in-fact until we receive notice of your death or written notice of revocation of the power of attorney document.

### **Trust Accounts**

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

## **Other Fiduciary Accounts**

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

## **Electronic Funds Transfers**

### **Regulation E Disclosure**

The following sections summarize your rights, liabilities and obligations for electronic funds transfers under Regulation E. An electronic funds transfer is a transfer of funds that is initiated electronically, such as by an LGFCU debit card, through an electronic device (such as a telephone or computer) or converted from a paper item for the purpose of authorizing us to debit or credit your account. By using your card or making any other type of electronic funds transfer, you agree to the terms of this agreement. Your use of cards issued by LGFCU is also governed by the Cardholder Rules and Regulations provided to cardholders when a card is issued. This document is also available upon request.

### **Consumer Liability**

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

If you do NOT tell us within two business days after you learn of the loss or theft of your card, code or PIN, and we can prove we could have stopped someone from

using your card, code or PIN without your permission if you had told us, you could lose as much as \$500.

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

If you believe your card, code or PIN has been lost or stolen, call us immediately at 888.732.8562, or write to Cardholder Services, P.O. Box 28540, Raleigh, NC 27611. You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission. For the purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

### **Transfer Types and Limitations**

You may use your card, code and PIN to:

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

Some of these services may not be available at all terminals.

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

- ▶ Pay for purchases
- ▶ Pay bills



You can use our BillPay service to pay up to 50 items each calendar month at no cost. A fee is charged per item in excess of 50 per calendar month.

For security reasons, there are limits on the dollar amount of transactions you can make using our services. You may withdraw up to \$505 using your LGFCU debit card each day. You may purchase up to \$4,000 worth of goods or services each day using your LGFCU debit card. FAT CAT and Zard cardholders may withdraw up to \$205 each day. FAT CAT cardholders may purchase up to \$505 (including the \$205 cash withdrawal amount) worth of goods or services using an access card. Zard cardholders may purchase up to \$1,000 (including the \$205 cash withdrawal amount) worth of goods or services each day using a debit card.

If you need these limits adjusted, please contact us. In addition, federal law limits the number of some electronic funds transfers from certain types of accounts. Those limitations are described under the "Regulation D Limitations" section.

### **Confidentiality**

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

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

Please refer to the Member Privacy section and LGFCU's Privacy Policy located toward the end of this agreement for more information.

### **Documentation**

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

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can view your accounts at [lgfcu.org](http://lgfcu.org) or call us at 888.732.8562 to find out whether the deposit has been made. You will get a monthly account statement, unless we consider your account inactive. Your account is inactive if no transactions (including fees and dividend payments) are made in a given month. Inactive accounts will not produce a statement.

### **Stopping Payment on Pre-authorized Transactions**

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Call us at 888.732.8562, log on to Member Connect at [lgfcu.org](http://lgfcu.org), or write to us at Cardholder Services, P.O. Box 28540, Raleigh, NC 27611, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We may charge you a fee for each stop payment order you give. See the included Service Fees and Terms chart.

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

### **Our Liability for Failure to Make Transfers**

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- ▶ If, through no fault of ours, you do not have enough money in your account to cover the transaction, including any amounts available from overdraft sources
- ▶ If the ATM where you are making the transfer does not have enough cash

- ▶ If the terminal or system was not working properly and you knew about the breakdown when you started the transfer
- ▶ If circumstances beyond our control (such as a power outage, fire or flood) prevent the transfer, despite reasonable precautions that we have taken
- ▶ If the funds are subject to legal process

### **ATM Fees**

When you use an ATM not owned by us, you may be charged a fee by the ATM operator (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer).

### **Error Resolution**

In case of errors or questions about your electronic transfers, telephone us at 888.732.8562 or write us at Cardholder Services, P.O. Box 28540, Raleigh, NC 27611 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after the statement date of the statement on which the problem or error appeared.

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

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

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

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

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

### **ACH Transactions**

Automated Clearing House (ACH) entries are debits or credits to your account which are transmitted through the ACH system. All ACH entries are subject to the Operating Rules and Guidelines of the National Automated Clearing House Association (NACHA Rules). As the originator or receiver of an ACH entry, you are bound by the NACHA Rules. ACH entries are a type of electronic funds transfer. As a result, ACH entries to and from your account are also subject to Regulation E, as described in the preceding section "Electronic Funds Transfers."

**Notice of Receipt of ACH Items:** Under the NACHA Rules, we are not required to give next day notice to you of receipt of an ACH item, and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

**Provisional Payment:** Credit given by LGFCU to you with respect to an ACH credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you the amount of such entry.

**Applicable Law:** LGFCU may accept on your behalf payments to your account which have been transmitted through one or more ACH entries and which are not subject to the Electronic Fund Transfer Act and your rights and obligations with respect to such payments

shall be construed in accordance with and governed by the laws of the State of North Carolina as provided by the NACHA rules.

### **Federal Wire Transfers**

**Applicable Law:** This section applies to wire transfers you send or receive through us, but does not apply to any aspect of a funds transfer if that part of the transfer is governed by Regulation E (which is addressed in the previous section, "Electronic Funds Transfers"). Wire transfers are subject to Article 4A of the North Carolina Uniform Commercial Code and any rules in effect at the time of the transfer governing the use of the system(s) through which funds are transmitted. However, wire or other fund transfers sent outside the United States that are initiated primarily for personal, family or household purposes (called Remittance Transfers) are governed by federal law, and not this section; your rights regarding Remittance Transfers will be disclosed to you in connection with each Remittance Transfer transaction that you make.

Wire transfers are also governed by the Wire Transfer Form, which is provided when you make a wire transfer and is available upon request.

**Inconsistency of Name and Account Number:** If you give us a payment order to be wire transferred which identifies the beneficiary (recipient of funds) by name and account number, payment may be made by the beneficiary's financial institution on the basis of the account number, even if it identifies a person different than the beneficiary. If you give us a payment order which identifies an intermediary or beneficiary's financial institution by both name and identifying number, a receiving financial institution may rely on the number as the proper identification even if it identifies a different financial institution than the named financial institution.

**Provisional Credit:** Credit given by LGFCU to you with respect to a wire transfer is provisional until we receive final payment. If we do not receive final payment, you are hereby notified and agree that we are entitled to a refund of the amount credited to your account.

## **When Funds are Available for Withdrawal**

This section describes our policy for when your deposits are available for withdrawal. It applies only to dividend Checking Accounts, CPG Accounts and HSAs.

As described in this section, we often make funds from your deposited checks available for your use before we can collect the check. If you have withdrawn the funds, you are still responsible for any problem with the deposit, such as the return of a deposited check. If a check you deposited or cashed is returned to us for any reason, we may charge your account for the amount of the check or you must repay us for the amount of the check plus a fee.

## **Your Ability to Withdraw Funds**

Our general policy is to make funds from your cash and check deposits available to you on the same business day we receive your deposit, except transit checks deposited at our ATM. Funds from transit checks deposited to a CashPoints® ATM are generally made available to you on the first business day after the day of your deposit.

Electronic direct deposits will be available on the effective date or the day we receive the deposit, whichever is later. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and days we are closed for observance of holidays. If you make a deposit on a business day that we are open at one of our branches before 5:30 p.m., or at a CashPoints ATM, we will consider that day to be the day of your deposit. However, if you make a deposit at one of our branches after 5:30 p.m., or at a CashPoints ATM, or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

For example, if you deposit funds at a CashPoints ATM on a Saturday, and we are closed the following Monday for a holiday, we will consider the deposit made on Tuesday.

## **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 of a deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. The first \$200 of your deposits, however, will be available on the same business day we receive your deposit.

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

In addition, funds you deposited by check may be delayed for a longer period under the following circumstances:

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

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

### **Special Rules**

**Holds on Other Funds – Check Cashing:** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that is already in your account. Those funds will be available at the time funds from the check we

cash would have been available, if you had deposited it. For example, if LGFCU cashes a \$500 check for you, \$500 of funds already in your account may not be available until up to the fifth business day after the day LGFCU cashed the check.

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

## **Substitute Check Policy Disclosure**

### **Substitute Checks and Your Rights**

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

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

### **What are My Rights Regarding Substitute Checks?:**

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



account and fees that were charged as a result of the withdrawal (for example, non-sufficient funds fees).

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

If you use this procedure, you may receive up to \$2,500 of your refund (plus dividends, if your account earns dividends) within 10 business days after we receive your claim and the remainder of your refund (plus dividends, if your account earns dividends) not later than 45 calendar days after we receive your claim. We may reverse the refund (including any dividends on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**How do I Make a Claim for a Refund?:** If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact your local branch or call 888.732.8562 or log onto the Member Connect section of the LGFCU website at [lgfcu.org](http://lgfcu.org) to complete the appropriate form. You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the date of the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include a description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect), an estimate of the amount of your loss, an explanation of why the substitute check you received is insufficient to confirm that you suffered a loss, and a copy of the substitute check and the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check and the amount of the check.

## **Deposits to and Withdrawals from Your Account**

### **Deposits**

You may make deposits in person, by mail or by any other method we make available, including ATMs. We will not be responsible for deposits made by or through a depository not staffed by our personnel until we actually receive the deposits. We may, at our discretion, refuse any deposits.

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

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

**Return of Direct Deposits:** If, for any reason, we are required to reimburse the federal or state government or any other depositor for all or any portion of any payment deposited into your account through a direct deposit plan, you agree that we may, without prior notice to you, deduct the amount returned from your account or from any other account you have with LGFCU, unless the deduction is prohibited by law.

### **Collection of Items**

In receiving items for deposit or collection, LGFCU acts only as your collecting agent and assumes no responsibility beyond the exercise of due care. We are not responsible for errors or delays caused by others in the collection process. Delivery to LGFCU of items for deposit, collection, credit or payment will constitute your acceptance of these conditions.

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

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

### **Negative Balance**

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

### **Checks and Other Withdrawals**

We may require you to withdraw funds from your account upon notice. We may refuse any check or other

item or withdrawal request if it is not made in a manner specifically authorized for your type of account.

We utilize automated collection and processing procedures which rely primarily on information encoded onto each item, whether or not that information is consistent with other information on the item. You agree that LGFCU does not fail to exercise ordinary care in paying an item solely because our automated procedures do not provide for sight-review.

### **Stale and Post-Dated Items**

**Stale-Dated Items:** We maintain the option, at our discretion, to either pay or dishonor any stale-dated item (for example, a check presented more than six months after the date of the check) upon presentation to LGFCU. We may pay the item, at our discretion, unless a stop payment order issued by the account holder was in effect.

**Post-Dated Items:** You agree that we will not be liable to you for charging your account before the indicated date on a properly payable but post-dated item unless you give us prior notice that you have issued a post-dated item and you would like to issue a stop payment order for the item.

### **Stopping Payment**

You may request a stop payment order on any item drawn on your account. If the account is a joint account, any joint owner can stop payment of any item drawn on the account. To request a stop payment order, please contact your local branch, call 888.732.8562, log on to Member Connect at [lgfcu.org](http://lgfcu.org), or you may send a written request to P.O. Box 29606, Raleigh, NC 27626. The stop payment order must describe the item with reasonable certainty (for example, the payee, account number, check number, and exact amount of the check), and we must receive your order in time to act on it. LGFCU will not be responsible for failing to stop payment of an item if you provide us with untimely or incomplete information.

Stop payment orders remain in effect for 12 months. In order for the stop payment to continue for another 12 months, you must complete a new stop payment order. If you want the stop payment order to expire in less than 12 months, you may provide us written notice requesting to cancel the stop payment order. The cancellation

request will not be effective until we receive the request and have a reasonable opportunity to act on it.

Fees for stop payment orders are set forth in the included Service Fees and Terms chart.

### **Cashier's Checks**

We may issue cashier's checks payable to you or a third party at your direction. Because cashier's checks are guaranteed funds, you may not cancel or put a stop payment on a cashier's check once it is issued. However, if the check becomes lost, stolen or destroyed, we may replace the check according to the following procedures, subject to applicable law.

If you are the remitter or payee on a cashier's check that we issued which has been lost, stolen or destroyed, you can make a claim with us for reissuance of the check.

We may require you to sign a declaration of loss and indemnification agreement. We may delay reissuing the check for a period of time as permitted by law. There are some instances where we are legally required to pay a cashier's check that was reported lost, stolen or destroyed even though a claim was made and we reissued the check. If we reissue a cashier's check to you, and the original cashier's check is presented for payment under circumstances where we are legally required to pay it, you agree to immediately pay us the amount of the reissued check.

### **Account Balance and Posting Order**

**Account Balance:** You can check your account balance by logging into Member Connect, calling 888.732.8562 or visiting your local branch. The following balances are available to you:

- ▶ **Beginning Balance:** The balance in your account after nightly processing.
- ▶ **Current Balance:** The beginning balance, plus or minus items in activity that have not yet posted. This balance does not include funds in any accounts designated as protecting accounts for LGFCU's Overdraft Transfer Service. Monetary holds are holds placed on funds in your account, including holds placed in accordance with LGFCU's Funds Availability Policy. Items in activity

include transactions that we have received but have not yet posted to your account.

- ▶ **Available Balance:** The current balance, minus any monetary holds or deposits pending, plus available funds in any accounts designated as protecting accounts for LGFCU's Overdraft Transfer Service. Monetary holds are holds placed on funds in your account, including holds placed in accordance with LGFCU's Funds Availability Policy. Deposits pending are check(s) deposited to your account through a CashPoints ATM that have not yet posted.

We use your available balance when we determine if you have enough funds available to pay items. Your available balance may not reflect every transaction or the final amount of every transaction you have initiated or authorized. For example, your available balance may not include the final settlement amounts for debit card transactions when:

- ▶ A merchant delays sending us the final settlement
- ▶ A merchant requests authorization before you leave a tip, or
- ▶ The final amount is not yet known when the merchant requests authorization for a purchase.

**Posting:** We post credit and debit items to your account during nightly processing on days we are open for business. Credits increase your account balance and debits decrease your account balance. The order items post to your account differs from the order in which the transactions occur or we receive them. The order in which items are posted may affect the total number of NSF items you incur if you have insufficient funds to cover all items.

We reserve the right to process and post items to your account in any order at our discretion, and we may change the order or categories, including items within a category, at any time without notice to you; however, we generally post items to your account in the order described below:

We post deposits and other credits to your account first. After we post all deposits and other credits to your account, we post debits. We post debits in order

according to categories. Within each category, we post debits from the lowest amount to the highest amount. We post all transactions for each category before posting transactions in the next category. We post debits from your account in the following order:

1. Authorized Debits: Authorized debits are items that we are obligated to pay because we provided authorization at the time you initiated the transaction. Prior to posting, authorized debits will appear in your account activity and will affect your available balance because they are authorized at the time of the transaction. We later receive and post the final transaction, and the final amount posted may differ from the authorized amount appearing in activity. The authorized debits category also includes certain account fees.

- ▶ Examples of authorized debits include ATM withdrawals, transactions initiated with your debit card, on-us checks cashed in a branch or at an ATM, withdrawals performed in a branch, and automatic funds transfers such as loan or credit card payments.
- ▶ The authorized debits category also includes the following authorized account fees: BillPay Service Fees, Wire Service Fees, ATM Usage Fees, Card Reissue Fees, International Card Usage Fees, Verification of Deposit Fees, Copy Request Fees, Stop Payment Fees, and Returned Check Fees. NSF Fees for items that attempted but failed to clear the previous business day are also included in this category.

2. ACH Debits: ACH debits are debits to your account which are transmitted through the ACH system. We also post check order expenses in this category.

3. Safe Deposit Box Rent: We draft safe deposit box rent on October 31 each year.

4. Checks and Paper Drafts: Checks and other drafts you have written or authorized from your account.

5. Other Fees: We debit Overdraft Transfer Service Fees and LGFCU's monthly maintenance fee on dividend checking and CPG Accounts. We debit Overdraft Transfer Service Fees even if there are insufficient available funds in your account; therefore, Overdraft Transfer Service Fees can cause your account to have a negative balance.

## **Overdraft Transfer Service**

LGFCU offers an Overdraft Transfer Service whereby available funds are transferred from existing deposit and Share Accounts, lines of credit and credit card accounts in order to prevent your Checking Account from becoming overdrawn. Each account you link to your Checking Account is called a protecting account. You may make this election in writing when opening a Checking Account or at any other time during the life of the account.

**Overdraft Transfer Service Fees:** Each overdraft transfer is subject to an Overdraft Transfer Service Fee. Overdraft transfers from Share Accounts and Money Market Share Accounts in excess of six per calendar month are subject to an Excessive Overdraft Transfer Service Fee instead of an Overdraft Transfer Service Fee. Information about each fee is set forth in the included Services Fees and Terms chart. No Overdraft Transfer Service Fees are assessed the first two days of a calendar year in which Overdraft Transfer Services Fees would otherwise be incurred.

**Incremental Transfers:** Overdraft transfers are made in increments of \$50 or \$500, depending on the type of protecting account. Funds will be transferred to the Checking Account in \$50 increments from Share and deposit accounts, credit cards and personal lines of credit. Funds will be transferred to the Checking Account in \$500 increments from home equity lines of credit. If the amount available in the designated protecting account for overdraft transfer is less than the incremental amount, all funds available in the account will be transferred if these funds are sufficient to cover any item posting to the Checking Account.

**Credit Cards and Lines of Credit:** Overdraft transfers from credit cards, personal lines of credit and home equity lines of credit are loan advances, and may be made up to the amount of the available ceiling/credit limit, less any outstanding principal balance. Transfers from these types of protecting accounts are subject to the terms of the applicable credit agreements. Overdraft transfers from credit cards are cash advances and charged the applicable interest rate under the cardholder agreement.

**Multiple Protecting Accounts:** You may designate up to two protecting accounts for each Checking Account. You may select the order in which the protecting accounts are



accessed for the Overdraft Transfer Service.

**Regulation D Limitations:** Overdraft transfers from Share Accounts and Money Market Share Accounts are subject to Regulation D, and are limited to six transfers per month per account. Multiple consecutive months with more than six transfers can result in restricted account access.

### **Checking Account Non-Sufficient Funds**

When sufficient funds are not available to cover items presented for payment against your Checking Account, a non-sufficient funds (NSF) fee may be assessed. LGFCU determines whether sufficient funds are available to pay an item after the item is received by LGFCU and before LGFCU's return deadline. Only one determination of the account balance is required. Your available balance is subject to LGFCU's Funds Availability Policy and the order in which we process and post items. If our determination reveals that sufficient funds are not available to pay an item, LGFCU will not be required to pay the item and may return it and assess an NSF fee. We do not distinguish between available and unavailable funds on your account statements, so it may appear that you had enough funds to cover an item that was returned and for which you were charged an NSF fee. You may always obtain your available balance by logging into Member Connect, calling 888.732.8562 or visiting your local branch. If you have opted into the Overdraft Transfer Service, LGFCU will transfer any available funds from the designated protecting account(s) in order to prevent the Checking Account from becoming overdrawn. See the "Overdraft Transfer Service" section. LGFCU is not required to send you notice of items returned for non-sufficient funds. LGFCU may restrict account services or close your account due to mismanagement causing excessive NSF fees or returned items.

The order in which we post items can affect the total number of NSF and overdraft transfer fees you incur. LGFCU posts items each night that were received after nightly processing the previous business day. Therefore, items often post in a different order than they were authorized. Please refer to the Account Balance and Posting Order section for more information about posting order.

## **Notice of Negative Information**

We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected on your credit report.

## **General Account Terms**

### **Statements**

**Paper and Electronic Statements:** Statements showing all deposits, withdrawals, dividends earned, and other information will be made available at periodic intervals. Unless you have previously elected to receive electronic statements, a paper statement will be mailed to the address shown in LGFCU's records. Electronic statements are available by logging onto LGFCU's secure Member Connect through [lgfcu.org](http://lgfcu.org).

If you receive a printed statement, statements are mailed approximately every 30 days, but not always on the same day of the month. If you opt out of receiving printed statements and retrieve your statement via Member Connect ([lgfcu.org](http://lgfcu.org)), you may select the approximate time each month you wish your statement to be generated, which will still be approximately every 30 days, but not always on the same day of the month.

Statements made available electronically are presented as maintained in the normal course of recordkeeping. If your statement lists more than one account, any authorized signer having electronic access to any of those accounts may see the entire statement, including the other accounts. If any part of a statement is presented responsive to a court order, subpoena or other legal process, or you ask us to produce a statement, we will present the entire statement containing that part as maintained in the normal course of recordkeeping.

**Reviewing Your Statement:** You agree to carefully and promptly review your account statements. If you feel there is an error, an omission or an unauthorized transaction on your statement, you must immediately notify us in writing. If you fail to notify us in writing within 60 calendar days of the statement date, the statement will be considered correct. You agree that we will not be liable for paying any erroneous item if you have not reported the erroneous item to us in writing within 60

calendar days of the date of the statement first containing the erroneous item.

An erroneous item includes an unauthorized check, withdrawal or other transaction, an unauthorized signature or endorsement, a missing signature or endorsement, an alteration, a counterfeit item, an encoding error, or a missing, diverted or unauthorized deposit.

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

For information on reporting erroneous electronic funds transfers subject to Regulation E, please see the Consumer Liability section under Regulation E Disclosure.

**Mailing Address:** You agree to notify us of any change in your contact information. We may rely on any instructions made by you, or on your behalf, including by any co-owner or agent, to change your contact information or mode of statement delivery without liability. We may also rely on our receipt of a notification of an address change from the U.S. Postal Service or its agents. You also agree to notify us immediately if you believe you are not receiving your correspondence from LGFCU. If a statement is returned undeliverable from the U.S. Postal Service, we will stop mailing statements until we receive verification of your mailing address. If statements are returned undeliverable, you agree that your statements and items have been “made available” to you as of the date of the statement for purposes of your responsibility to promptly review your statements and report any erroneous items to us.

### **Opening Additional Accounts**

You agree that some LGFCU accounts can be opened by referencing a previously signed account signature form. Referencing means that a new account will be opened, and a new account signature form created, based on your current instructions and your signature on a previous

account signature form. Individually owned accounts may be opened by referencing an account signature form that you previously signed creating an individual or joint account. Jointly owned accounts (all of which have the right of survivorship) may be opened referencing an account signature form that you previously signed, provided the joint ownership on the referenced account signature form is the same as the joint ownership on the new joint account. Any joint owner may request to open a joint account with the same joint ownership by referencing a previously signed account signature form. Not all accounts can be opened by referencing a previously signed account signature agreement. For example, you must sign a new account signature agreement to open an IRA.

**Statutory Lien; Right of Setoff; Security Interest**

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

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

**Security Interest:** You assign, pledge and grant LGFCU a security interest in all shares and deposits, and earnings on shares and deposits, which you now have or may have in the future, to LGFCU as security for any indebtedness now owing or arising with LGFCU in the future, except where prohibited by law.

We may exercise or enforce our statutory lien, right of setoff, or security interest against any account at any time, and each shall survive the death of the account holder. We will not, however, exercise or enforce our statutory lien, right of setoff or security interest where prohibited by applicable law (including the Military Lending Act).

## **Holding Funds in Your Account**

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

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

## **Disputes Involving Your Account**

If we have been notified, or we reasonably believe, there exists a legitimate dispute among any parties who have or claim an interest in your account, we may, at our discretion:

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

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

## **Legal Process Against Your Account**

We may comply with any legal process we believe to be valid, and we may, at our discretion, accept legal process by mail, electronic mail, facsimile or any other means at any location where we do business. LGFCU is not liable to you for releasing information or remitting funds in compliance with legal process, including but not limited to subpoenas, attachments, executions, garnishments, levies, restraining orders, injunctions or warrants. In addition, you agree that LGFCU is under no obligation to object to or otherwise contest on your behalf any legal process brought against your account. We are not required to send you notice of the legal process.

LGFCU will not be liable to you for any sums we may be required to hold or pay because of legal process against your account, even if holding or paying funds from your account leaves insufficient funds to pay checks or other items from your account. All funds held in a joint account can be used to satisfy any legal process against you, your account or any joint owner. Legal process against your account is subject to LGFCU's lien and right of setoff in accordance with applicable law.

## **Assignments, Pledges and Transfers**

LGFCU will not recognize any assignment, pledge, transfer or grant of your account, or any interest in it to anyone other than LGFCU.

## **Closing an Account**

LGFCU may close your account, without prior notification, if you breach any terms of this agreement, your account (other than a CPG, Holiday Cash Club or Salary Advance Cash Account) has a zero balance, or we, at our sole discretion, determine continued maintenance of the account exposes LGFCU to risk of financial loss. We may also refuse services if you cause LGFCU a financial loss. We, at our sole discretion, with reasonable notice, may close an account for any other reason not prohibited by applicable law. This agreement will continue to govern matters related to your account after it is closed. You will remain liable for checks and other transactions in process and for the payment of any accrued fees if we close your account. If we receive a deposit for credit to your account after it has been closed, we may, at our sole discretion, return the

deposit, reopen your account and accept the deposit or redirect the deposit into another account owned by you.

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

### **Limiting Services**

If a member of LGFCU threatens, harasses or stalks Credit Union staff the Credit Union may immediately terminate the member's access to all local branches and all in-person service. Once a member's access to the local branch is terminated the member will have access to online, phone and ATM services only.

### **Inactive Accounts**

We may consider your account inactive if no transactions (including fees and dividend payments) are made in a given month. Inactive accounts will not produce a statement.

### **Member Privacy**

At LGFCU, we keep information about our members secure and confidential. Information about your accounts or any transactions between you and LGFCU will not be disclosed to third parties except in strict accordance with the law, and LGFCU will continue to protect your information even if you terminate your membership with us. LGFCU will never sell your information to anyone for any reason.

Please see LGFCU's Privacy Notice included toward the end of this agreement.

### **Safety**

The National Credit Union Share Insurance Fund (NCUSIF) of the National Credit Union Administration (NCUA) insures member deposits up to \$250,000 (and potentially more, through different account ownerships). This insurance coverage is automatic and is provided at no additional member cost. Insurance coverage by NCUA is provided on all types of share and deposit accounts currently offered by LGFCU.

For more information about NCUA share insurance coverage, please see our NCUA Share Insurance document available at [lgfcu.org](http://lgfcu.org) and at your local branch.

For information about safety at ATMs, please visit [lgfcu.org](http://lgfcu.org).

## **Service Fees and Terms** (as of November 20, 2018)

LGFCU offers Share, dividend Checking, CashPoints® Global, Money Market Share and Share Term Certificate Accounts. Share Accounts include FAT CAT, Zard, Holiday Cash Club, and Salary Advance Share Accounts. LGFCU also offers Tax-Advantaged accounts, which include Individual Retirement Accounts (Roth and Traditional IRAs/SEP IRA), Coverdell Education Savings Accounts (CESA), and Health Savings Accounts (HSA). Share Term Certificates are offered in terms of 6, 12, 18, 24, 30, 36, 48 and 60 months. There is no minimum balance to earn dividends on Share, Checking, HSA, or IRA/SEP/CESA Accounts. The minimum balance for Money Market Share Accounts and Share Term Certificates is \$250. CashPoints® Global Accounts do not earn dividends. While Share Term Certificates earn a fixed interest rate, the rate for all other accounts is subject to change daily.

For the most up-to-date information visit [lgfcu.org/fees](http://lgfcu.org/fees).

## **Account Opening and Usage**

<b>Share Savings Account</b>	
Minimum Deposit to Open Account*	\$25
Monthly Fee†	\$0/\$1
ATM Fees – For using CashPoints® ATMs	\$0
ATM Fees – For using Visa/PLUS ATM (completed transactions or inquiries)	\$0.75
ATM Fees – For using Visa/PLUS ATM (incompleted transactions or inquiries)	\$0.35
Returned Check Fee – Per check returned from a deposit	\$5
Account Closing Fee/Penalty	\$0



## Checking Account

Minimum Deposit to Open Account	\$0
Monthly Fee	\$1
Maximum Number of Checks per Statement to Avoid Service Charge	50
Service Charge per Check in Excess of 50 per Statement Period	\$0.20
BillPay Service Fee for First 50 Items Each Calendar Month	\$0
Service Charge per BillPay Item in Excess of 50 per Calendar Month	\$0.20
ATM Fees – For using CashPoints® ATMs	\$0
ATM Fees – For using Visa/PLUS ATM (completed transactions or inquiries)	\$0.75
ATM Fees – For using Visa/PLUS ATM (incomplete transactions or inquiries)	\$0.35
Non-Sufficient Funds (NSF) Fee	\$25
Returned Check Fee – Per check returned from a deposit	\$5
Stop Payment Fee – Per item for up to 12 months	\$8
Account Closing Fee/Penalty	\$0

## CashPoints Global Account

Minimum Deposit to Open Account	\$0
Monthly Fee	\$1
BillPay Service Fee for First 50 Items Each Calendar Month	\$0

\* Fat Cat accounts have \$5 minimum to open. Holiday Cash Club Accounts and HSAs have no minimum balance.

† \$1 fee if account is below minimum balance on statement date.

**CashPoints Global Account** (continued)

Service Charge per BillPay Item in Excess of 50 per Calendar Month	\$0.20
ATM Fees – For using CashPoints® ATMs	\$0
ATM Fees – For using Visa/PLUS ATM (completed transactions or inquiries)	\$0.75
ATM Fees – For using Visa/PLUS ATM (incomplete transactions or inquiries)	\$0.35
Returned Check Fee – Per check returned from a deposit	\$5
Stop Payment Fee – Per item for up to 12 months	\$8
Account Closing Fee/Penalty	\$0

**Money Market Share Account**

Minimum Deposit to Open Account	\$250
Monthly Fee*	\$0/\$2
ATM Fees – For using CashPoints® ATMs	\$0
ATM Fees – For using Visa/PLUS ATM (completed transactions or inquiries)	\$0.75
ATM Fees – For using Visa/PLUS ATM (incomplete transactions or inquiries)	\$0.35
Returned Check Fee – Per check returned from a deposit	\$5
Account Closing Fee/Penalty	\$0

\* Money Market Share Accounts have a \$2 fee if account is below minimum balance at any time during statement period.

## Share Term Certificates

Minimum Deposit to Open Account	\$250
Returned Check Fee – Per check returned from a deposit	\$5
Account Closing Fee/Penalty*	\$0

\* A dividend penalty will be charged for early cancellation of all types of Share Term Certificates.

## IRA/SEP/CESA

Minimum Deposit to Open Account	\$25
Monthly Fee*	\$0/\$1
ATM Fees – For using CashPoints® ATMs	\$0
ATM Fees – For using Visa/PLUS ATM (completed transactions or inquiries)	\$0.75
ATM Fees – For using Visa/PLUS ATM (incomplete transactions or inquiries)	\$0.35
Returned Check Fee – Per check returned from a deposit	\$5
Account Closing Fee/Penalty	\$0

\* \$1 fee if account is below minimum balance on statement date.

## Overdraft Options

LGFCU offers a transfer of available funds from some Share and deposit accounts, lines of credit and credit cards in order to prevent items from being returned or Checking Accounts from becoming overdrawn. This transfer service may be requested or removed from new/existing Checking Accounts by the account holder at any time.

### Option A: No Overdraft Transfer Services (default)

If you choose not to opt in to the Overdraft Transfer Plan, transactions that would cause an overdraft will be returned unpaid and the account will be charged a non-sufficient funds (NSF) fee for each item.

### OPTION B: Overdraft Transfer Plan

Fee for Overdraft Transfers	\$0.50
A Share Account or Money Market Share Account can be used as an overdraft transfer account and limited to six transfers per calendar month. Transfers exceeding six per calendar month will be charged an excessive transfer fee.*	\$25

#### Overdraft Plan Increments

- ▶ Share and deposit accounts, credit cards and personal lines of credit: \$50<sup>†</sup>
- ▶ Home Equity Lines of Credit: \$500

### Option C: Overdraft Penalty Plan

LGFCU does not offer an Overdraft Penalty Plan or fee.

\* Overdraft Transfers are considered Regulation D Transfers and repeated excessive transfers from a Share or Money Market Savings account may result in loss of overdraft transfer privileges.

† Overdraft Transfer Plan transfers the entire whole dollar available balance if this is enough to cover the item(s) presented for payment and the \$0.50 overdraft fee.

## Processing of Items

LGFCU generally posts items presented on your account in the following order:

1. All Deposits and other Credits
2. Authorized Debits\* (lowest to highest), including certain fees
3. Safe Deposit Box Rental
4. ACH Debits (lowest to highest)
5. Checks (lowest to highest)
6. Other Fees

\* Authorized debits are items that LGFCU is obligated to pay because LGFCU provided authorization at the time you initiated the transaction. Authorized debits include debit card transactions, ATM withdrawals, account withdrawals performed in a branch, automatic funds transfers, and some LGFCU fees.

### Funds Availability Policy

Funds deposited to your account are generally available for immediate withdrawal:

Cash Deposit with Teller	Same business day
Cash Deposit with ATM	Same business day
Check Deposit with Teller	Same business day
On-Us Check Deposit with with ATM	Same business day
Other Check Deposit with ATM	Next business day
Direct Deposit	Same business day
Wire Transfer Deposit	Same business day

If LGFCU delays funds availability on a portion of a deposit into a checking or CashPoints® Global Account, the first \$200 of that deposit will be made available the same business day. A "business day" is a non-holiday weekday. The end of a business day is no earlier than 5:30 p.m.

## Other Fees

ATM Card Reissue	\$0
Replace Lost ATM Card	\$8
ATM Card Rush Delivery	\$15
Credit Card Annual Fee	\$0
Credit Card Late Pay Fee	\$5
Credit Card Over Limit Fee	\$0
Safe Deposit Box Rental	Varies
Lost Safe Deposit Box Key	\$18
Safe Deposit Box Drill Fee	\$145
Box Rental Late Fee	\$12
Coupon/Bond Collection	\$0
Check and Statement Copies*	\$1 per copy
Verification of Deposit	\$10
Notary Service	\$0
Signature Guarantee	\$0
Cashier's Check Purchase (applies to cashier's checks issued for less than \$500 only)	\$1
Outgoing Domestic Wire	\$10
Outgoing International Wire	\$25

\* Checks and statements can be viewed and printed at no charge from Member Connect at lgfcu.org.





## We are here

While LGFCU and SECU are two separate credit unions, we've partnered so LGFCU members enjoy full service at SECU's more than 250 branches and nearly 1,100 CashPoints® ATMs.

## Anytime. Anyplace.

Member Connect offers many in-branch services from the comfort of your home, office, or wherever you are.

Learn more at [lgfcu.org](http://lgfcu.org).



Federally insured by NCUA



888.732.8562



[lgfcu.org/locations](http://lgfcu.org/locations)



Calls may be recorded for quality assurance.  
Mobile data charges may apply. Check with your service provider.

**LGFCU**<sup>®</sup>  
LOCAL GOVERNMENT  
FEDERAL CREDIT UNION