

LGFCU Disclosure

Rules and Regulations





This brochure provides information to help 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 including: Funds Availability, Substitute Check Policy, Truth-In-Savings, Service Fees and Agreement for Account Services.*

Funds Availability

Your Ability to Withdraw Funds

Our policy is to make deposited funds available to you on the next business day after your deposit is received. Once the funds are available, you can withdraw the funds to pay any checks you have written that are presented for payment (cashed or deposited by the recipient), in addition to any other transactions like debit card purchases. You will also be able to withdraw those funds as needed. For the purpose of determining funds availability, every day is a business day except Saturdays, Sundays and designated holidays.

* Whenever a North Carolina statute or federal regulation is referenced or incorporated into this agreement, the then-current, complete contents of the statute will govern the rights and obligations of the parties. Comments in this agreement about any statute are only a partial description of the operation of the statute.

Funds deposited to your account are generally available[†] for withdrawal as follows:

Cash deposit at teller:	same business day
Cash deposit at ATM:	next business day
Check deposit at teller:	same business day
Check deposit at ATM:	next business day
Direct Deposit:	same business day
Wire Transfer Deposit:	same business day

Processing of Items

LGFCU makes every effort to post items on your account in the following order:

1. All deposits and other credits
2. Preauthorized debits[‡] (lowest to highest)
3. ACH debts (lowest to highest)
4. Checks (lowest to highest)

If we anticipate a delay in your funds availability, in most instances, you will be informed that access to your funds will be delayed at the time of your deposit. However, if your deposit is not made directly through one of our employees, or if we decide to take this action immediately after you have left the premises, we will mail you the notice of delay in availability of funds by the end of the first business day following our receipt of your deposit. The Credit Union will delay funds up to the maximum schedule of funds availability, as allowed by the Federal Reserve Board's Regulation CC for most checks.

[†] If LGFCU delays funds availability on a portion of the deposit, we will advise you of the date your funds will be available for withdrawal. In that case, 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., except for ATM deposits.

[‡] Preauthorized debits are items that LGFCU is obligated to pay because the debits were previously authorized based on your account balance at the time you performed the transaction. Preauthorized debits include credit card transactions, ATM withdrawals, account withdrawals performed in a branch and automatic funds transfers.

If you need access to the funds from a deposit right away, be sure to ask when the funds will be available.

In addition, there are circumstances in which the funds you deposit by check may be delayed for a longer period of time, such as (but not limited to):

- ▶ If your account is less than 30 days old
- ▶ If you deposit checks totaling more than \$5,000 on any one banking day
- ▶ If we are unable to verify that a check will be paid
- ▶ If you redeposit a check that has been returned unpaid
- ▶ If you have overdrawn your account repeatedly in the past six months
- ▶ If there is an unforeseen emergency (such as a breakdown of communications channels or a breakdown of computer equipment)

Holds on Other Funds—Check Cashing

If we cash a check for you that is drawn on another financial institution, meaning any non-LGFCU check, we may temporarily withhold access to the same dollar amount in funds already on deposit with us. You can access these funds on the same schedule as if the original check had been deposited, rather than cashed. For example, if you present a \$100 check to be cashed, you will receive the requested funds, but \$100 in funds already on deposit with the Credit Union (in your LGFCU account) will not be available until as many as seven (7) business days following the date the check was cashed. If this happens a notice will be sent to you by the next business day, advising you of the hold.

Holds on Funds—Other Accounts

If we accept for deposit a check drawn on another financial institution, we may make those funds available to you for immediate withdrawal, but delay your ability to withdraw a corresponding amount of funds already on deposit with us. The hold on these funds will be released once the funds from the deposited check are available, as per Regulation CC. If this happens a notice will be sent to you by the next business day following our receipt of the deposit, advising you of the hold.

Deposits at Automated Teller Machines (ATMs)

Any funds deposited (cash or checks) or transferred at a CashPoints® ATM are available on the same business day of deposit or transfer, unless we mail you a notice advising you of a delay in funds availability. If you transfer funds between LGFCU accounts at any other (non-CashPoints®) ATM, the funds may not be available until the next business day following the date of transfer.

Overdraft Options

LGFCU offers an "Overdraft Transfer Plan," which permits the transfer of available funds from existing deposit or line of credit accounts in order to prevent a checking account from becoming overdrawn. This transfer service may be added/removed by the account holder at any time.

OPTION A: No Overdraft Transfer Plan (default)

Account holders choosing not to opt into the Overdraft Transfer Plan will be charged a non-sufficient fee (NSF) for overdrawn checking accounts*.

OPTION B: Overdraft Transfer Plan

\$0.50
Overdraft
Transfer Fee

For Overdraft Transfers.

\$25.00
Excessive
Overdraft
Transfer Fee

If a Share or Money Market Share Account is used as an Overdraft Transfer Account, transfers are limited to six per month. Transfers exceeding six will be charged a transfer fee equal to the current NSF fee†.

* NSF fee is \$25 per occurrence.

† Repeat excessive transfers from a share or money market account may result in the loss of overdraft privileges.

Substitute Check Policy Disclosure and Your Rights

The Check Clearing for the 21st Century Act (Check 21) became effective on October 28, 2004. The regulation's goal is "to improve the overall efficiency of the nation's payment system." To expedite the check collection process and reduce the costs associated with check processing, Check 21 allows for the creation of a negotiable item called a "substitute check."

What is a substitute check?

A substitute check is a special electronic image of the original paper check. Its benefit is that it can be exchanged quicker and more efficiently than physically transporting a check between financial institutions. Substitute checks are similar in size to the original paper check, but with slightly reduced images of the front and back of the check. The front of the copy 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 the substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from the Credit Union may be substitute checks or copies of substitute checks. This notice describes the 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 Credit Union account. However, you have rights under other laws with respect to those transactions.

What are my rights regarding substitute checks?

In some cases, federal law provides special procedures that allow you to request a refund for losses you suffer with regard to a substitute check posted to your Credit Union account (for example, you believe the amount withdrawn was incorrect, or that the amount of the same check was withdrawn more than once). The losses you may attempt to recover under this procedure include the amount that was withdrawn from your account and any associated fees that were charged as a result of the withdrawal (for example, insufficient funds fees).

The amount of your refund under these procedures is limited to the total 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 the law.

Should an error be found, you may receive up to \$2,500 of your refund (plus dividends, if your account earns dividends) before the end of the tenth business day after we receive your claim, and the remainder of your refund (plus dividends, if your account earns dividends) no later than 45 calendar days after your claim is received.

The Credit Union may reverse the refund (including any associated dividends) if we later confirm that the substitute check was correctly posted to your Credit Union account.

How do I make a claim for a refund?

If you believe you have suffered a loss resulting from a substitute check that you received and/or posted to your Credit Union account, please call the Contact Center at 888.732.8562, log in to Member Connect or visit your local branch to complete the appropriate form. You must file a written claim within 60 calendar days of the date we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question, or the date we mailed the account statement showing the substitute check posted to your account, whichever is later. We may extend this time period if you are unable to make a timely claim because of extraordinary circumstances. Your claim must include all of the following:

- ▶ A description of why you feel you have suffered a loss (for example, the amount withdrawn from your Credit Union account was incorrect)
- ▶ An estimate of the amount of your financial loss
- ▶ An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss
- ▶ A copy of the substitute check and/or the following information to assist the Credit Union in identifying the substitute check in question: the check number, the name of the person to whom you wrote the check and the amount of the check

Regulation D

The Federal Reserve Bank's Regulation D limits certain withdrawals and transfers from your Share, tax-advantaged (excluding Health Savings Accounts) and Money Market Share Accounts. The following withdrawals and/or transfers are limited to a total of six (6) per account per calendar month:

- ▶ Internet transfers from a Share, tax-advantaged (excluding Health Savings accounts) or Money Market Share Account to another deposit account
- ▶ Phone transfers from a Share or Money Market Share Account to another deposit account via LGFCU Voice Response, Contact Center or a local branch
- ▶ Transfers from a Share or Money Market Share Account to another deposit account via Member Connect
- ▶ Overdraft transfers from a Share or Money Market Share Account to a checking account
- ▶ Automated funds transfers from a Share or Money Market Share Account to another deposit 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 from a Share or Money Market Share Account

The following withdrawals and/or transfers are not limited on your Share, tax-advantaged or Money Market Share Accounts and can be performed as often as needed:

- ▶ Transactions completed in person at a branch
- ▶ Transactions completed at an ATM
- ▶ Transfers to loans or credit cards
- ▶ Transactions sent in by mail
- ▶ Withdrawals made by telephone via check mailed to the depositor

NOTE: Deposit accounts that are exempt from Regulation D and therefore have no withdrawal and transfer limitations are: checking accounts, CashPoints® Global Accounts (CPG) and Health Savings Accounts (HSAs).

Truth-In-Savings Disclosure

This section provides the terms and features for our share accounts, including Shares, Individual Retirement Accounts (IRAs), Checking Accounts, Share Term Certificates (STCs), Money Market Share Accounts, Health Savings Accounts (HSAs), Coverdell Education Savings Accounts (CESAs), CashPoints Global and Simplified Employee Pension (SEP) Accounts. These disclosures apply to all types of ownerships of these accounts including Individual, Joint with Right of Survivorship, Trustee (Payable upon Death), Revocable and Irrevocable Living Trusts and Uniform Transfer to Minors Act Accounts. The type of ownership of the account is designated by the member at the time the account is opened.

Compounding, Crediting and Dividend Accrual

Dividends are compounded daily and credited monthly on the date the statement is created for Share, Checking, Money Market Share, IRAs, CESAs, SEPs and HSA Accounts. If you receive a printed statement, the date the statement is created is determined by the ZIP code to which the statement is mailed. Statements are mailed approximately every 30 days, but not always on the same day of the month. If you opt out of printed statements and retrieve your statement via our website, you may select the approximate time each month you wish your statement to be created, which will still be approximately every 30 days but not always the same day of the month.

Dividends are not compounded on Share Term Certificates (STC); dividends accrue on the principal amount only. Dividends are automatically paid monthly by transfer from the STC to another Share Account; however, if the term is six or 12 months, you may request that your dividends be paid when the STC matures.

Dividends that are transferred to another Share Account will earn dividends at the current rate being paid for that type of account. If an STC is automatically renewed, the dividend rate will be based on the rate for that term on the date of renewal.

An automatically renewed STC may be canceled without penalty during the seven-day grace period following renewal. If you choose to cancel your STC during that period, the STC will earn dividends from the date of renewal until the day of cancellation. Dividends begin to accrue on the business day of receipt for cash or non-cash funds received by any method. Dividends are not earned on CashPoint® Global Accounts.

Calculation Method

Dividends are calculated based on the daily balance method by applying a periodic rate to the balance eligible for dividend accrual in the account each day.

Effect of Closing

Accrued, but unpaid, dividends will be paid if the account is closed prior to dividend crediting except for share term certificates, which are subject to early withdrawal penalties (see Fixed Rate Accounts).

Minimum Balance Requirements

There is no minimum balance requirement to earn dividends on Share Accounts, IRAs, SEPs, HSAs or Checking Accounts.

There is no minimum balance required to avoid a fee on Fat Cat Share, Holiday Cash, Salary Advance or HSA Accounts. A minimum balance is not required to avoid a fee on CashPoints® Global and Checking Accounts; however, these accounts are charged a monthly maintenance fee regardless of the balance in the account.

The minimum balance to earn dividends on STCs and Money Market Share Accounts is \$250. The minimum balance to avoid a monthly service fee on Share Accounts, CESAs, SEPs and IRAs is \$25. The minimum balance required to avoid a monthly service fee on Money Market Share Accounts is \$250.

Fixed-Rate Accounts

Share Term Certificates (STCs) are fixed-rate accounts, which means the rate does not change during the term of the certificate. Available rates for STCs are subject to change daily at the discretion of the board of directors. The term of the certificate is selected by the account holder at the time the account is opened.

Available terms are six, 12, 18, 24, 30, 36, 48 and 60 months. After the certificate is opened, no additional deposits may be made to the account. No partial withdrawals may be made from a certificate; however, you can deposit funds to or withdraw from a Share Term Certificate once during the seven-day grace period.

If the principal is withdrawn before the maturity date, an early withdrawal penalty will be charged. The penalty is 90 days' dividends on the certificate amount or the actual dividends earned, whichever is less.

Certificates automatically renew into a new certificate for the same term at the current dividend rate for that term unless the member specifically requests that the principal be transferred into another share account at maturity.

Fourteen days prior to the STC maturity or renewal date, the Credit Union will send a notice to the member indicating the upcoming action and member options. Future dividends earned on matured funds are determined based on the existing rate for the Share Account to which funds are transferred. Future earnings on renewed funds are at the rate offered on the renewal date for the STC of that term.

Variable Rate Accounts

Share Accounts, IRA/SEP/HSA Accounts, Checking and Money Market Share Accounts are variable-rate accounts. The rate is subject to change daily at the discretion of the board of directors.

Nature of Dividends

Dividends are paid from the available earnings after any required transfers to reserves.

Transaction Limitations

Share, Money Market Share, and tax-advantaged accounts (except Health Savings Accounts [HSAs]) are limited to no more than six (6) withdrawals and/or transfers per account per calendar month (See Regulation D).

No checks can be written and no automated clearing house (ACH) debits are allowed on CashPoints® Global, Share or Money Market Share Accounts.

Rates

Current dividend rates and corresponding annual percentage yields for all Share accounts may be obtained online at www.lgfcu.org, by calling our 24-Hour Voice Response Service at 888.732.8562 or, in the Raleigh area, 919.857.2150 from a touch-tone phone, or by calling or visiting your local branch.

Safety

Your Credit Union shares are federally insured by the National Credit Union Administration (NCUA), an independent government agency that charters, regulates and insures federal credit unions. The NCUA is backed by the full faith and credit of the United States Government.

Individual accounts are insured up to \$250,000 for combined balances in your Share, Checking, Share Certificate, and Money Market Share Accounts. Joint accounts are insured up to \$250,000 for each owner on the account, regardless of the number of accounts that are jointly owned.

Combined balances in your Traditional, Simplified Employee Pension (SEP) and Roth IRA plans are insured separately from your other LGFCU accounts for up to \$250,000. Educational savings accounts are also insured separately from your other Credit Union accounts for up to \$250,000.

Payable on Death (POD) Accounts are insured separately from your other LGFCU accounts. Each owner is insured up to \$250,000 per beneficiary. Naming the same beneficiary on more than one POD Account does not increase insurance coverage.

Deposit Trust Accounts are insured separately from your other Credit Union accounts. Each beneficiary account established under a trust arrangement is insured up to \$250,000.

For more information about NCUA's Share Insurance Fund please call the Contact Center at 1.888.732.8562, visit your local branch or go to our website www.lgfcu.org.

Share Accounts*

- ▶ You can open a Share Account with a minimum deposit of \$25. There is a \$1 service fee if your balance drops below \$25.
- ▶ Dividends are compounded daily and paid monthly, with the period beginning on the same day your monthly statement is created. The dividend rate is determined by the board of directors and is subject to change daily.
- ▶ There is no minimum withdrawal.
- ▶ Per Federal Regulation D, this account is limited to a maximum of six (6) total preauthorized withdrawals and/or funds transfers per account. For more information see the Regulation D section of this brochure.
- ▶ For more information about Share Accounts visit our website or see our Deposit Services Brochure.

Checking Account

- ▶ If we receive a deposit (cash or checks) to your Checking Account, you begin earning dividends on the business day the deposit is received.
- ▶ Dividends are compounded daily and paid monthly, with the period beginning on the same day your monthly statement is created. The dividend rate is determined by the board of directors and is subject to change daily.
- ▶ There is no minimum deposit to open an account and no minimum balance required after initial deposit.
- ▶ Dividends are declared at the beginning of the dividend period (dividend period begins on the day your monthly statement is created).
- ▶ For more information about Checking Accounts visit our website or see our Deposit Services Brochure.
- ▶ For a list of potential and applicable fees, please see table on the next page.

* Please see the Regulation D section of this brochure for the withdrawal/transfer limitations on this account.

Money Market Share Account*

- ▶ If we receive a deposit (cash or checks) to your Money Market Share Account, you begin earning dividends on the business day the deposit is received.
- ▶ The minimum opening deposit is \$250. There is a \$2 service fee if your balance drops below \$250 during any statement period.
- ▶ Dividends are compounded daily and paid monthly, with the period beginning on the same day your monthly statement is created. The dividend rate is determined by the board of directors and is subject to change daily. No dividends are earned on days where the minimum balance is not met.
- ▶ There is no minimum withdrawal, no early withdrawal penalty and no maturity date.
- ▶ For more information about Money Market Share Accounts visit our website or see our Deposit Services Brochure.
- ▶ Per Federal Regulation D, this account is limited to a maximum of six (6) total preauthorized withdrawals and/or funds transfers per account. For more information see the Regulation D section of this brochure.

Share Term Certificate

- ▶ You can open a Share Term Certificate with a minimum deposit of \$250. There are no service charges, and your Share Term Certificate can be used as collateral on a Credit Union loan.
- ▶ Closed-end terms are available for 6, 12, 18, 24, 30, 36, 48 and 60 months.
- ▶ Your account features a fixed-rate dividend. Dividends for all terms automatically transfer monthly to a deposit account.
- ▶ No additional deposits can be added to the certificate, and no partial withdrawals of principal are allowed.
- ▶ Penalties for early withdrawal include either 90 days of dividends or all the dividends earned, whichever is less.
- ▶ For more information about Share Term Certificates visit our website or see our Deposit Services Brochure.

Individual Retirement Accounts (IRAs)[†]

LGFCU offers a variety of Individual Retirement Accounts to help you save for retirement. All of our IRAs require a minimum balance with a \$1 service fee if your balance drops below \$25 during any statement period.

To learn more about all of our IRA options, visit our website, see our Deposit Services Brochure or contact your local branch for assistance.

* Please see the Regulation D section of this brochure for the withdrawal/transfer limitations on this account.

† Please consult your tax advisor with regard to required minimum distributions.

Summary of Service Fees (as of May 2016)

For the most up-to-date information visit lgfcu.org/fees.

Checking Account

Monthly Maintenance	\$1
Transaction Fees	Free for 50 checks per month (\$0.20 for each additional check)
Non-Sufficient Funds	\$25
Stop Payment Orders	\$8
Personalized Checks	Price varies according to style and quantity
Overdraft Protection transfer fee*	\$0.50 per transfer
BillPay	50 free online BillPay and check transactions per month, with only a \$0.20 charge for each additional item.

Share Account

Monthly Fee	\$1 if your balance drops below \$25 during any statement period, otherwise none.
Transaction Fees	None

Money Market Share Account

Monthly Fee	\$2 if your balance drops below \$250 during any statement period, otherwise none
Transaction Fees	None

* Overdraft transfers are limited to no more than six per month from a Share or Money Market Share Account, per Regulation D. Overdrafts exceeding six (6) per month will be charged a fee equal to the current non-sufficient funds fee. Repeated excess transfers may cause the loss of overdraft privileges.

CashPoints® ATM

Reissue	None
Lost Card Replacement	\$8
Rush Delivery of Card	\$15
PLUS Approved Transaction Fee	\$0.75
PLUS Denied Transaction Fee	\$0.35
CashPoints® ATM	None

Miscellaneous Fees

Coupons, Bonds, Collections	\$7
Cashier's Check	\$1
Notary Services	None
Wire Transfers— Outgoing Domestic	\$10
Wire Transfers— Outgoing Foreign	\$25

Safe Deposit Boxes

Annual Rental Fee	Varies according to box size
Lost Key	\$18 minimum
Box Drilling	\$145 minimum
Late Rental Payment	\$12

Health Savings Accounts and Holiday Cash Club Accounts have no minimum balance and no service fees.

Agreement For Account Services

By opening a Share Account of any type at LGFCU, you are considered the depositor, what we call a member and also known as an account holder, and you agree to the terms and conditions in this brochure, including funds availability, substitute check policy, Regulation D, Truth in Savings and the agreement for account services. The following General Rules apply to all accounts at the Credit Union. The Credit Union accepts business only on the condition that the depositor agrees as follows:

General Rules

- (1) In this agreement, except as otherwise indicated, the singular includes the plural.
- (2) All items deposited are received by the Credit Union for deposit or collection. The Credit Union acts only as the depositor's collecting agent and as such, assumes no responsibility beyond the exercise of due care. The Credit Union accepts no responsibility for warranties and indemnities on substitute checks that are created by other financial or non-financial institutions, entities or persons. The Credit Union will only assume responsibility for indemnities and warranties associated with substitute checks created by the Credit Union.
- (3) Items drawn on this Credit Union are received conditionally and, if not good at the close of the business day on which it was deposited or if payment is stopped, the item may be charged back to the depositor.
- (4) The Credit Union accepts no responsibility for payment of checks or drafts that are presented on the same day that deposits are made, unless there is already a sufficient balance to the depositor's credit in addition to such deposits.
- (5) Items received for collection or credit and not drawn on this Credit Union are taken subject to final payment and at the depositor's risk; should such items be lost, returned unpaid (NSF, Stop Payment, etc.) or should returns not be received within a reasonable time, the amount of the items can be deducted from the depositor's account.
- (6) Items may be sent directly to the financial institution upon which they are drawn, or through collecting agents selected by the Credit Union who may collect and remit.

Collecting agents shall have the right to send items directly to the financial institution upon which they are drawn or at which they are payable.

(7) This Credit Union and/or collecting agents may accept cash, draft or credit in settlement of such items and shall not be liable for failure to collect or realize on drafts or credits so received.

(8) Each collecting agent is the agent of the depositor but no agent shall be liable for any loss growing out of neglect, default or failure of any other agent.

(9) This contract shall be held and construed to be a North Carolina contract, and the rights, obligations and liabilities of this Credit Union shall be determined by the laws of North Carolina.

(10) "Depositor" includes those who forward items for collection or other handling, as well as one who makes a deposit in the ordinary sense of the word. All members are depositors, but all depositors may not be members.

(11) Depositor agrees that s/he has authority to agree as previously explained on his or her own behalf, and on behalf of the holder or owner of said items; authority is given to this Credit Union to enter into contract with correspondent banks and others in connection with the collection or other handling of any item hereunder.

(12) Delivery of items for deposit, collection, credit or payment to the Credit Union will constitute acceptance of these conditions by the depositor. The rights or authority of the Credit Union under this agreement shall not be changed or terminated by the depositor, except by written notice to the Credit Union and until receipt of such a notice by the Credit Union. Transactions occurring prior to the Credit Union's receipt of the notice will not be affected.

(13) Service and maintenance fees, in accordance with the rules of the Credit Union in effect at the time, may be charged to this account without notice. These may include fees for handling checks drawn against insufficient funds. The Credit Union shall not be liable for dishonoring checks or drafts because of insufficient funds resulting from such charges. A reasonable service fee may be made against this account if there are no deposits or withdrawals made by depositor within a six-month period.

(14) For debits LGFCU will use your available balance when determining whether a transaction will cause your account to overdraw and for charging an overdraft fee. For check, LGFCU will use your actual balance; that is, the balance shown without consideration of pending transactions.

(15) The Credit Union may refuse any deposits and may require the depositor to withdraw the account balance upon notice to the depositor at his or her last address on record with the Credit Union.

(16) If the account is a Share Account, the depositor may withdraw any part or all of the balance on deposit. However the Credit Union, at its discretion, may require 60 days notice in writing before making payment to the depositor.

(17) No assignment or transfer of the funds in any LGFCU account will be recognized by the Credit Union unless the consent of the Credit Union is first obtained and such consent is entered on the Credit Union's records.

(18) The Credit Union is specifically given the right to apply any deposit in any Credit Union account against past due indebtedness due by the depositor to the Credit Union, as allowed by law and by the contractual obligations between the depositor and the Credit Union. To the extent permitted by law, all funds in a joint account may be used to repay a co-owner's indebtedness to the Credit Union.

(19) If a check drawn is payable on a future date, the account holder is required to notify the Credit Union immediately in writing that this check is not to be honored before the payment date. If the Credit Union prematurely pays the check in the regular course of business, the account holder agrees that the Credit Union shall have no liability to the account holder for such payment.

(20) The Credit Union is under no obligation to pay a check or draft drawn on an account when the check or draft is presented more than six months after the date it is written. However, if the check is paid against an account, the Credit Union takes no responsibility for such payment, unless a stop payment order issued by the account holder was in effect at the time of payment.

(21) Missing Endorsement. The credit union may accept for deposit items made payable to any one or more of the parties in whose name the account is established with or without endorsement. If you fail to endorse an item for deposit, the Credit Union may supply the missing endorsement.

Stopping Payment on Checks or Preauthorized Transactions

LGFCU may refuse to honor any stop payment order that cannot be authenticated by the account holder, either in writing or electronically. Previously authorized debits to an account from an institution, agency or company other than the Credit Union must be revoked in writing to the originating institution, agency or company. Upon notification of this revocation by the account holder, the Credit Union will stop and return unpaid all future debits from the institution, agency or company regardless of the amount. Preauthorized periodic transfers or payments from or to the Credit Union accounts may be stopped if a written order is received by the Credit Union at least three (3) business days in advance of a scheduled transfer. Stop payment orders confirmed by the account holder in writing remain in effect for 12 months. In order for the stop payment order to continue for another 12 months, a new stop payment order must be completed in writing by the account holder and submitted to the Credit Union. Stop payments on substitute checks, remotely created checks and converted checks cannot be guaranteed of a stop without a check number.

Statements

Statements showing all deposits, withdrawals, dividends earned, balance on deposit, etc. will be made available at periodic intervals. Statements will be mailed to the depositor by regular first-class mail at the last address shown on the records of the Credit Union, unless the depositor has previously opted out of paper statements. CashPoints® Global Account holders will receive only electronic statements.

Electronic statements are available to all members by logging on to LGFCU's secure online banking service, Member Connect, through www.lgfcu.org. Statements made available electronically are presented as maintained in the normal course of recordkeeping. Statements reflect accounts you own and accounts for which you have signature authority. If your statement has more than one account, any authorized signer having electronic access to any of your accounts may see the entire statement, including other accounts. Should a statement be presented in compliance with a court order, subpoena or other legal process, we will present the entire statement as maintained in the normal course of recordkeeping. If the depositor believes that the signature upon any returned voucher (check, drafts, etc.) was forged, or that any transaction was posted in error or was not authorized, the depositor must notify the Credit Union in writing within 60 days of the delivery or mailing of any statement of account and/or canceled vouchers. Otherwise the statement of account shall be considered correct for all purposes and the Credit Union shall not be liable for payments made and charged to the depositor's account, even if they are later alleged to have been based on forgery, error or improper authority.

Joint Accounts

All joint accounts are governed by North Carolina General Statute 54-109.58. All joint accounts with LGFCU, regardless of who deposits the funds, shall be held by the depositors as co-owners with the right of survivorship. The Credit Union may pay the funds in the account to, or on the order of, either or any of the depositors named on the account. Upon the death of one joint owner, the money remaining in the account will belong to the surviving joint owners, and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.

Trustee and Revocable Living Trust Accounts

The Credit Union accepts accounts titled in the name of a member's revocable or irrevocable living trust.

However, the Credit Union accepts no responsibility for determining whether a grantor or trustee is qualified to act or has been duly appointed to act in that capacity,

nor whether any transaction involving the account is in accordance with or authorized by applicable law or the trust agreement. The Credit Union acts only as a depository for the funds.

Personal Agency Accounts

Personal agency accounts are governed by North Carolina General Statute 54-109.63 and may be amended or changed from time to time. The agent named on the account may sign checks/withdrawals on the account and make deposits to the account. If the owner of the account becomes incapacitated and/ or mentally incompetent, the agent has the authority to continue acting on behalf of the owners. The personal agent's authority ends upon the death of the last account holder and the funds remaining in the account will be controlled by the will or inherited by the heirs of the last account owner to die, or released to any POD beneficiary(ies), if the account is a POD Account.

Payable On Death Account

Payable on Death (POD) Accounts are governed by North Carolina Statute 54-109-57A and may be amended or changed from time to time. The POD Account may be set up with multiple owners and multiple beneficiaries. If there are two or more owners, the owners shall own the account as joint tenants with the right of survivorship. During the lifetime of the owner(s), they are the sole owner(s) of the funds in the account and any owner may withdraw the funds in the account. By written notice to the Credit Union, the owner(s), individually or jointly, may change the beneficiary(ies) at any time.

Upon the death of the last surviving owner, the funds remaining in the account will belong to the beneficiary(ies) and will not be inherited by the heirs of the owners or controlled by will. If one or more owners survive the last surviving beneficiary who was a natural person, or if a beneficiary who is an entity other than a natural person should cease to exist before the death of the owner, the account shall become an individual account of the owner, or a joint account with right of survivorship of the owners. LGFCU reports dividends earned under the primary owner's Social Security Number.

Uniform Transfers to Minor Act (UTMA) Account

The terms of these accounts shall be governed by the provisions of North Carolina General Statutes, Chapter 33A and may be amended or changed from time to time. This transfer of funds to the minor named, which shall be deemed to include all earnings thereon and any future additions there to, is irrevocable.

Closing an Account

The Credit Union may close an account if the account holder breaches any terms of this agreement or if the Credit Union, at its sole discretion, determines continual maintenance of the account exposes the Credit Union to risk of financial loss.

The Credit Union, at its sole discretion and with notice, may close an account for any reason not prohibited by applicable law.

Federal Wire Transfers and ACH Transactions

The following is provided as a requirement of Article 4A of the Uniform Commercial Code.

If a member sends or receives a wire transfer, the Federal Reserve Bank's FEDWIRE transfer system may be used. Regulation J is the law governing those transfers.

To send or receive a wire transfer you will need to use this ABA routing number: 253177049. Do not use the LGFCU routing number on the bottom of your checks.

If a member gives the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's financial institution on the basis of the identifying financial institution account number, even if the number identifies a person different than the named beneficiary.

If a member gives the Credit Union a payment order which identifies an intermediary or beneficiary's institution by both name and an identifying number, a receiving institution may rely on the number as the proper identification, even if it identifies a different institution than the named financial institution.

Wire transfers not initiated in person at a branch from Share, tax-advantaged (excluding HSAs) or Money Market Share Accounts are subject to restrictions under Regulation D.

Automated Clearing House (ACH) items, such as direct deposit of a payroll check or benefit payment, are paperless transfers between financial institutions.

The Credit Union may give a member credit for ACH payments it receives for the member before it receives final settlement of the funds transfer from the originating financial institution. The member is hereby notified and agrees that if the Credit Union does not receive such final settlement, it is entitled to a refund from the member of the amount credited to the member in connection with that ACH entry. ACH transactions are governed by the operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide any members with next day notice of receipt of ACH credit transfers to an account. Notices of receipt of ACH items are included in the periodic account statements the Credit Union provides.

The Credit Union may accept payments to your account on your behalf that have been transmitted through one or more automated clearing houses, and which are not subject to the Electronic Funds Transfer Act. 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, unless it has been otherwise specified in a separate agreement that the law of some other state shall govern.

Electronic Funds Transfers*

A member may use an LGFCU debit card or Visa® Check Card and a four-digit personal identification number (PIN) to authorize transactions on Share and credit accounts, such as withdrawing cash, making balance inquiries, transferring funds between accounts, or making deposits, payments and purchases, on qualified automated teller machines (ATM) or point-of-sale (POS) terminals. With a 24-Hour Voice Response Service PIN, members may perform inquiries and transfers between accounts (deposit and credit) via touch-tone phone. With a Member Connect PIN or with Member Connect through your mobile device, you may access account information and perform transfers via the Internet†.

The best way to minimize possible loss is via telephone, although the member may advise the Credit Union in person, in writing or via email. If the member does not notify the Credit Union, that member could potentially lose all the money in the account, including the maximum amount of the member's line of credit. If the Credit Union is informed within two (2) business days of learning about the loss or theft of the access device‡, the member will lose no more than \$50. If the member does not inform the Credit Union within two business days of the loss or theft of the access device, and LGFCU determines that the loss could have been stopped with appropriate notice, that member could lose as much as \$500.

Transfers from Share, tax-advantaged (excluding HSAs) or Money Market Share Accounts via Member Connect are limited to a total of six (6) transactions per account, per calendar month. The member agrees to all terms concerning the use of an LGFCU debit card in the disclosures that are mailed with the card or provided electronically.

A member may also use preauthorized electronic funds transfers through the ACH system to make deposits to accounts or to pay bills or make payments from a Checking Account†.

* Purchases made with your LGFCU Visa® Check Card may be subject to Visa's Operating Rules.

† Check with your mobile device service provider for rates and fees.

‡ An access device is a debit card.

The member may use LGFCU's BillPay service to authorize electronic bill payments on a CashPoints® Global account. In the event an unauthorized ACH debit transaction is posted to the member's account, the member must report the transaction in writing to the Credit Union within 60 days of the Credit Union's transmittal of the periodic statement to avoid liability for subsequent transfers.

In order to be eligible for reimbursement of an unauthorized ACH debit, the member must notify the Credit Union orally or in writing and complete a written statement under penalty of perjury within 60 calendar days after transmittal of the periodic statement on which the unauthorized transfer first appeared. When a notification is made orally, the member may also be required to submit a written notice within 10 business days.

If a member discovers any unauthorized electronic funds transfers on an account statement, it's best to notify the Credit Union as soon as possible. If LGFCU is not notified within 60 calendar days after transmittal of statement showing the first unauthorized transfer made with the access device, the member may not be able to recover the money lost, provided the Credit Union can prove that the loss could have been prevented with appropriate notice.

For unauthorized transfers not involving loss or theft of an access device, you must notify the Credit Union within 60 calendar days after transmittal of the periodic statement on which the unauthorized transfer first appeared.

There is unlimited liability for unauthorized transfers not involving loss or theft of an access device occurring 60 calendar days after the periodic statement and before notice to the Credit Union.

If there is a legitimate reason (such as a long trip or a hospital stay) that prevented the member from informing the Credit Union about the loss within the established deadline, the time frame may be extended.

Legal Process Against Your Account

We comply with any legal process we believe to be valid without any liability to you and we may, at our discretion, accept legal process by mail, electronic mail, facsimile or other means. If your account is attached, garnished or otherwise subjected to levy by lawful legal action, the Credit Union will not be liable to you for any sums it may be required to hold or pay, even if holding or paying the money from your account leaves insufficient funds to pay a check you have written. All funds held in a joint account can be used to satisfy any legal process against you or your account. Any garnishment or other levy against your account is subject to the Credit Union's security interest and right of offset in accordance with applicable law.

Tax Identification Certification

Under penalty of perjury, each depositor certifies that he or she is a legal U.S. person, including U.S. resident alien. Each depositor further certifies that the taxpayer identification number listed on the account is accurate, and that the depositor is not subject to back-up withholding either because he or she has not been notified that he or she is subject to backup withholding as a result of a failure to report all dividends, or that the Internal Revenue Service has notified the depositor that he or she is no longer subject to back-up withholding.

The Internal Revenue Service does not require the depositor's consent to any provisions of this document other than the certifications required to avoid back-up withholding.

Notice of Negative Information

Subject to applicable laws and regulations, the Credit Union may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your Credit Union account may be reflected on your credit report.

Disclosures, Agreements, Rules and Regulations

These disclosures, agreements, rules and regulations may be added to, rescinded, altered or amended by the Credit Union at any time, without notice to the depositor in order to comply with then-applicable laws and regulations governing Credit Union operations. Upon signing an Account Services Form, the depositor hereby assents and agrees to these rules and regulations and their subsequent changes or amendments for this account or subsequent accounts opened, as described above.

Eligibility Certification

I certify that I meet the eligibility requirements for membership in the Credit Union.

LGFCU 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 to you: When you open an account, we will ask for your name, address, date of birth and other identifying information. We may also ask to see your driver's license or other identifying documents.



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



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