

# TRUTH-IN-SAVINGS DISCLOSURE FUNDS AVAILABILITY POLICY

PLEASE KEEP THIS BROCHURE  
FOR YOUR RECORDS



This Disclosure supersedes all  
Disclosures prior to the effective  
date shown below.

***Effective September, 1 2015***



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### TRUTH-IN-SAVINGS DISCLOSURE FUNDS AVAILABILITY POLICY GENERAL INFORMATION

In the following agreement the words "YOU", "YOUR", "YOURS" and "MEMBER" mean each and all of those (whether one or more persons) who are subject to the agreement(s) as a result of signing a Membership Application / Signature Card for each respective Account. The words "WE", "US", "OUR", "Credit Union" and "ECSFCU" mean the EAST COUNTY SCHOOLS FEDERAL CREDIT UNION. We may change terms, conditions, requirements or amend the disclosure from time to time without notice, except as required by the Truth-In-Savings Act. However, before any charge or fee is increased or added, you will receive advance notice. You may always obtain more information by calling us at (619) 588-1515.

Please also note that this Agreement contains a BINDING INDIVIDUAL ARBITRATION PROVISION AND JURY AND CLASS ACTION WAIVER which affects your rights with respect to any claims or disputes by or against the Credit Union. You may opt out in the Arbitration and Waiver section.

By continuing to use or keep your account open, you will be deemed to accept and agree to any such changes in terms.

#### 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 make a copy of your driver's license or other identifying documents.

#### I. PAYMENT OF DIVIDENDS

**DIVIDEND RATES:** The frequency and conditions upon which dividends are paid on all Accounts are in accordance with the Bylaws of this Credit Union, the California Financial Code and the Truth-in-Savings Act and Regulations.

Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

Dividends will begin to accrue on the business day you deposit non-cash items (e.g., checks) or cash items to your Account if deposited before the close of business.

**RATE INFORMATION:** All dividend earning Accounts, with the exception of Term Share Certificate Accounts, are considered variable rate Accounts, the dividend rate and Annual Percentage Yield (APY) may change at the discretion of the Credit Union. For specific dividend rate(s) for each type of dividend bearing Account, you may refer to the attached Dividend Rates Sheet, which is incorporated by this reference. Current rate information, minimum balance to open and earn the APY for these Accounts can be found in the Dividend Rates Sheet accompanying this disclosure; members may also obtain current rate information by calling the Credit Union at (619) 588-1515 on-line at [www.gsfcu.org](http://www.gsfcu.org).

The Dividend Rate and Annual Percentage Yield (APY) on the Money Market Accounts are tiered. A tier is a range of Account balances. Different Rates and APY's apply to the different tiers. When the Money Market Account balance increases or decreases between each tier, the entire Account balance is subject to the applicable Rate for that tier. For example: If your balance falls within the range of Tier 1, you will earn the applicable rate for Tier 1. If you balance falls within the range of Tier 2, you will earn the applicable Rate for Tier 2 on the entire Account balance. Balance fluctuations between tiers will result in a "Blended" Dividend Rate and APY for the month. These rates are subject to change without notice. The Dividend Rates Sheet will show current Rates, APYs and tiers. Members may also obtain current rate information by calling the Credit Union at (619) 588-1515 or on line at [www.gsfcu.org](http://www.gsfcu.org). The Platinum Access Money Market has a of balance cap of \$250,000 on any given day. Should your balance exceed the balance cap, the excess funds will automatically be transferred to your Regular Share Savings Account at the close of the business day.

The Dividend Rate and Annual Percentage Yield (APY) on the eChecking Accounts are stepped. A step is a range of Account balances. Different Rates and APY's apply to the different steps. When the eChecking Account balance increases or decreases between steps, only the amount of the Account balance within each step is subject to the applicable Rate for that step. For example: If your balance falls within the range of Step 1, you will earn the applicable Rate for Step 1. If your balance falls within the range of Step 2, you will earn the applicable Rate for Step 1 on the balances in Step 1 and the applicable Rate for Step 2 on the balances in Step 2. Balance fluctuations between steps will result in a "Blended" Dividend Rate and APY for the month. These rates are subject to change without notice. The Dividend Rates Sheet will show current Rates, APYs and steps.

**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.

**COMPOUNDING AND CREDITING** For all Accounts except Term Share Certificate Accounts dividends will be compounded monthly and will be credited monthly on the last day of the month. For these Account types, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31.

All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period, and for the example is January 31. Dividends on Term Share Certificate Accounts are compounded monthly and will be credited monthly on the last day of the month, and upon maturity. The dividend rate and Annual Percentage Yield (APY) for this Account is stated in the Dividend Rates Sheet. You will be paid this rate until the maturity date of the Account.

If you close any dividend bearing Account before dividends are credited, you will receive the accrued dividends, less any penalty on Term Share Certificate Accounts.

## II. TERMS AND CONDITIONS

### TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS

**BYLAW REQUIREMENTS:** The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the Board of Directors.

Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. No transfer of voting rights or other membership privilege is permitted by virtue of transfer to or co-ownership of shares by nonmembers.

No member may withdraw shareholdings that are pledged as required for security on loans without the written approval of a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written consent of a loan officer.

**REQUIREMENT TO MAINTAIN A REGULAR SHARE ACCOUNT:** You must open a Regular Share Account to open any subsequent Accounts. You must maintain the Regular Share Account to avoid closure of that Account and any subsequent Accounts, with a minimum balance equal to the par value of one (1) Share.

**PAR VALUE OF SHARES:** The par value of a Share in this Credit Union is \$5.00.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND:** Member Accounts in this Credit Union are federally insured by the National Credit Union Share Insurance Fund (NCUSIF).

**OWNER(S):** The word "owner(s)" on an Account Signature Card or Membership Invitation means the owner in the case of an individual Account and it means the joint owners (both as individual and as a group) in the case of a joint Account.

### REGULAR SAVINGS ACCOUNT (SHARE ACCOUNTS)

Our Share Accounts are called Regular Shares, Summer Paychecks, Holiday Club, IRA Share Account and Money Market Share Account and Platinum Access Money Market Account.

**MINIMUM BALANCE AND DEPOSIT REQUIREMENTS:** The minimum deposit required for you to open your Share Account(s) is disclosed on the Dividend Rates Sheet. You must maintain the minimum balance as disclosed on the Dividend Rates Sheet to obtain the Annual Percentage Yield as stated on the Dividend Rates Sheet.

**TRANSACTION LIMITATIONS (ALL SHARE ACCOUNTS):** During any calendar month, you may not make more than six withdrawals or transfers from your Share Accounts to another Credit Union Account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic (such as Audio Response, Internet Branch Service (CU@U), fax or personal computer) order or instruction. You may make an unlimited number of withdrawals from, or transfers among, your Share Accounts by mail, messenger, or in person at the Credit Union or at an ATM. You may also make an unlimited number of withdrawals from your Share Accounts through Audio Response or Internet Branch Service (CU@U) if you request that we send you a check. You may not exceed these transfer limitations in any statement period.

**DISBURSEMENTS (SUMMER PAYCHECK):** Funds will be disbursed on or about August 1 of each year.

**DISBURSEMENTS (HOLIDAY CLUB):** Funds will be disbursed on or about November 1 of each year.

**INCORPORATION OF IRA AGREEMENT AND DISCLOSURES:** All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account Agreement and Disclosure Statement, which by this reference is incorporated into this Account Disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union Agreement and Disclosure Statement will be provided to you.

**TRANSACTION LIMITATIONS (MONEY MARKET SHARE ACCOUNT):** The minimum you may withdraw from the Money Market or Platinum Access Money Market Account is \$300.00.

### CHECKING ACCOUNTS (SHARE DRAFT)

Our Checking Accounts are called Regular Checking, eChecking and CU Succeed Teen Checking.

1. We may recognize the signature of any one (1) who signed the Signature Card/Membership Invitation to transact any business on this Account, including, but not limited to, the causing or making of overdrafts (for which all of you shall be liable) and endorsement of checks payable to any signer of this Account.
2. If the Signature Card/Membership Invitation is signed by more than one person, all of you further agree as between yourself and us:
  - a. All amounts now and hereafter in the Account, regardless of source, are owned by you jointly and equally regardless of your net contributions, with right of survivorship, and subject to withdrawal(s) and/or receipt of or by any of you, and payment to any of you or any of your survivors shall be valid and discharge us from any liability for such payment.
  - b. You hereby appoint each other as agents and attorneys in fact to overdraft any of your Share or Loan Accounts.
3. We are authorized to pay checks signed by you and the payments will be charged to your Account.
4. You authorize us to transfer funds from your Regular Share Account on your written or oral request to your Checking Account. You understand and agree that no transfer will be made unless there are sufficient shares on deposit at the time of transfer.
5. We may, at our discretion, but are not obligated to (nor shall we be liable for refusal to), pay funds from this Account:
  - a. When such payment would draw the Account below the minimum balance as established from time to time by us ("overdraft").
  - b. If drawn by means not authorized in advance by us.
  - c. Against checks presented over 6 months past their issue dates.
  - d. Against uncollected non-cash items.
6. We may, without liability, accept, pay, guarantee or charge checks to the Account in any order convenient to us.
7. We may charge against your Account a postdated check even though payment is made before the date of the check. However, if you notify us within a reasonable time to permit us to act and identify the check with reasonable certainty, we will not pay the check until the date of the check. Notice to the Credit Union may be written or oral and it must include the exact amount, Account number, check number, date of the check and payee's name. If an oral notice to the Credit Union is given, the notice shall be valid for fourteen (14) day. If written, the notice shall be valid for up to six (6) months, and can be renewed within six (6) months for another successive six (6) month period. A fee may be assessed for this service.

All checks written on your Account must be drawn in U.S. dollars.

8. We may pay and charge to your Checking Account funds drawn by us and payable to any persons, organization, association or corporation whom you have authorized by providing sample MICR encoded information for your Account provided there are sufficient funds in your Account to pay such checks. You agree that your rights in respect to such preauthorized checks shall be the same as if it were a check drawn and signed by you personally. This authority shall remain in effect until revoked by you in writing to us (and to the agency to whom the sample MICR writing was provided) and we have had reasonable opportunity to act on it. You agree that we shall be fully protected in honoring such checks. You further agree that if any such check is dishonored, whether with or without cause, and whether intentionally or inadvertently, we shall be under no liability whatsoever even though such dishonor results in the forfeiture of insurance, loss, or damage to you of any kind.
9. Provided such request is timely, so that we shall have reasonable opportunity to act upon it under our rules, you may order a stop payment of any check payable against your Account. If the order is verbal it shall be valid only fourteen (14) days thereafter unless confirmed in writing. Written orders shall be valid for six (6) months and may be renewed for additional six month periods. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment.
10. Your death, dissolution or incompetence shall not revoke our authority to accept, pay or collect a check(s) or to Account for proceeds of its collection until we know of the fact of your death or adjudication of incompetence and have reasonable opportunity to act on it. Even with knowledge, we may for ten (10) days after the date of death, dissolution or incapacity, pay or guarantee a check(s) drawn on or prior to the date unless ordered in writing to stop payment by a person claiming an interest in the Account under rules established by us. We must be notified if any of you die, become incapacitated or your organization is dissolved.
11. If we have paid a check under circumstances giving a basis for objection by you, we shall be subrogated to the rights of:
  - a. Any holder in due course on the check against the drawer or maker; and
  - b. The payee or any other holder of the check against the drawer or maker either on the item or under the transaction out of which the item arose; and
  - c. The drawer or maker against the payee or any other holder of the check with respect to the transaction out of which the check arose.
12. Our measure of damages for failure to exercise ordinary care in handling a check shall not exceed the amount of the item.
13. We are neither given notice or otherwise affected by a restrictive endorsement of any person or entity except your immediate transferor.
14. Our authority under this agreement may not be changed or terminated by you, except by written notice to us which will not affect any prior transactions.
15. Notify us at once if you suspect that a check or endorsement is forged or altered or that someone unauthorized is using your Account or if you have an objection respecting any item shown on a Monthly Statement of the Account. You must notify us within a reasonable period of time not exceeding 30 days after the closing date of the Statement. If you fail to notify us within this time period, we may not be responsible for forgeries, alterations or unauthorized use committed later by the same person(s).
16. Overdraft protection is available for your Checking Account in the following manner:
  - a. If you have a Line of Credit Account, available funds will automatically be transferred in increments of \$100 sufficient to cover the overdraft, providing the Account is not over limit or delinquent.
  - b. If there are insufficient funds available or if you do not have a Line of Credit Account, you may designate that funds will be transferred from your Regular Share Account or as designated in the order listed on your Signature Card/Membership Invitation to cover the overdraft. Such transfers will generally be made only if there are sufficient funds on deposit at the time of the transfer. You may change the method in which your overdrafts are covered at any time by calling the Credit Union at (619) 588-1515.
  - c. We may, but are not required to pay overdrafts to the Checking Account. We may do so (but are not required to) by transferring funds to cover such overdrafts from your Regular Share Account (in the amount of the overdraft or in such other sum(s) as we may establish from time to time.) Overdrafts, if paid, in excess of funds available in any Share Account are payable on demand.
  - d. A fee will be charged in accordance with the Schedule of Fees and Charges for overdraft transfers.

17. Order of Posting; Understanding Your Available and Actual Balance.

Order of Posting: The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. We will generally pay checks, automated debits (ACH), Debit Card transactions, ATM withdrawals and point-of-sale transactions in the order presented to the Credit Union. Multiple checks presented for payment on the same day will be paid in check number order. For ACH transactions, deposits are posted first then debits are posted by settlement date, then lowest to highest amount. For ATM Card and Debit Card transactions, items are posted in the order received. You understand that the order in which items are processed can affect the total amount of fees that may be assessed against your account. The Credit Union reserves the right to adjust the above processing times in its sole discretion.

Actual and Available Balances: It is also important that you understand the difference between your "actual balance" and your "available balance" in order to properly manage the money in your account and avoid overdraft and insufficient fund fees. Your "actual balance" is the beginning of the day balance after the prior evening's posting. This balance is changed at the close of business every day and stands as is until the close of business on the following day. Your "available balance" is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. The difference between your actual balance and your available balance is the result of pending activity that has not yet posted to the account (example, any "pending" deposits, checks, transfers and withdrawals or holds on your account). We will use the "available balance" in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone or by accessing your account online or with mobile banking.

You understand that you may be overdrawn even when your actual balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. You must keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section below regarding Funds Availability. If you have additional questions about your available or actual balance, please see a branch representative or call (619) 588-1515.

18. Only EAST COUNTY SCHOOL FEDERAL CREDIT UNION checks, or other methods approved by us, may be used to withdraw funds from the Account.
19. As a convenience to you, we will submit your initial order and reorders for personalized checks to the printer named on the face of the order. If the printer accepts the initial order and reorders, the printer will mail the checks directly to you. You authorize the Credit Union to charge your Checking Account for the cost of delivered checks ordered, plus applicable sales tax and shipping costs. You are responsible for verifying the accuracy of all information shown on your checks whether you order them from us or somewhere else. If you do not order your checks through the Credit Union's authorized check vendor(s), you understand and agree that there is a higher likelihood that your checks may be rejected due to printing errors, erroneous information, and formatting. Rejected check charges may apply.
20. You will notify us at (619) 588-1515 immediately, if your checks are lost or stolen. You agree that you will be responsible for losses caused by a delay in your notification to us.

We may recommend for you to close your existing Checking Account and reopen a new one any time the Credit Union has reason to believe your Account is at risk of being compromised (i.e., due to lost/stolen checks, unauthorized transactions, etc.)

If, despite our recommendation to establish a new Account number, you choose not to, you release the Credit Union from any liability for subsequent losses on the Account due to fraud. In addition, to any rights we have by law, we may deny a claim for monetary loss due to forged, altered or unauthorized signature if you do not guard against improper access to your checks.

If you report to us that a forgery, alternation or other unauthorized transaction has occurred on your Account, you agree to cooperate with the Credit Union in the investigation of your claim. This includes providing an affidavit containing whatever reasonable information we require concerning your Account, the transaction in question and the circumstances surrounding the loss.

You also agree to file a criminal report with appropriate law enforcement officials against any suspected wrongdoer, if we request that you do so.

You agree to pursue all rights you may have under any insurance coverage you maintain before making a claim against the Credit Union in connection with any Account transaction, and to provide us with all reasonable information about your insurance coverage. Our liability, if any, is reduced by the amount of all insurance proceeds you receive, or are entitled to receive.

Except as otherwise required by law or regulation, you agree that we have a reasonable period of time to investigate the facts and circumstances surrounding any loss you claim, and that we have no obligation to provisionally credit your Account. We are not liable for any items that are forged or altered in such a way that we cannot reasonably detect the forgery or alteration.

Our maximum liability is the lower of your actual damage proved, or the amount of the forgery, alteration or other unauthorized withdrawal, reduced by an amount which would not have been realized by the use of ordinary care. In no event will we be liable for special or consequential damages, including loss of profits and/or opportunity or for attorneys' fees incurred by you.

21. Paid checks remain the property of the Credit Union upon payment and are not returned to the Account owner(s). Checks are imaged on both sides and stored for seven years from date of posting. You may request and we will provide you with a photocopy of a requested item within a reasonable time. We will not charge you for copies of the first two (2) items you request appearing on any statement or for a total of twenty four (24) copies per calendar year. Additional copies will be subject to an assessment of a fee. Check copies for the previous 12 months are available on-line at no charge. You understand and agree that we are not responsible for the quality of any check copy that you request from us.
22. You shall pay us all costs and charges incident to the Checking Account according to the Schedule of Fees and Charges established by us from time to time. We shall debit such charges against the Checking Account, except where there are insufficient funds available, and then such charges shall be treated as overdrafts.
23. The use of the Checking Account is subject to such other terms, fees, conditions and requirements as the Credit Union may establish from time to time.
24. If this is an organization Account, the persons authorized to sign on this Account certify that they are the duly elected or appointed officers of said corporation, partnership, organization or unincorporated association and have the authority to transact business of any character whatsoever in connection with this Account.
25. The Credit Union shall have the right to terminate this agreement or close any Checking Account of a member without notice and without consent at any time at will, subject only to the restrictions of the Credit Union's Bylaws, if any.
26. Checking Accounts with no activity for ninety (90) days or more will be considered inactive and may be closed by the Credit Union.
27. No transaction limitations apply to these Accounts.

#### **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO REGULAR CHECKING ACCOUNTS**

An Inactive Service fee will be charged in accordance with our Schedule of Fees and Charges for any month in which you do not conduct a minimum of four (4) debit transactions (check clearings, ACH debits, Bill pay transactions or other automated debit). The Inactive Service fee will be waived if your average daily balance is \$500 or greater for that month.

The Credit Union will pay for one (1) box of personal checks per year when you maintain a monthly Direct Deposit of \$500 or more to the checking.

#### **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO eCHECKING ACCOUNTS**

The following components ("eChecking Components") are required in order for your account to earn Step Rate Dividends in effect for the month.

- A. Monthly eStatements
- B. Eight (8) Signature Debit Transactions
- C. Ten (10) maximum personal check clearings per month (not including Bill payment checks issued;)
- D. Direct Deposit of \$500 or more to the eChecking Account (excluding 10 or 11 monthly paid employees who do not receive payroll on those months).

These requirements must be met by the end of the second (2nd) statement cycle from the opening of the eChecking Account. If these requirements are not met within the specified timeframe, you will not earn the stated dividends. For every month thereafter that does not meet the required "eChecking Components", you will not earn the stated dividends.

#### **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO TEEN CHECKING ACCOUNT**

**MINIMUM BALANCE TO OPEN:** A minimum initial deposit of \$20.00 is required to open a CU \$UCCEED Teen Checking Account.

**MINIMUM BALANCE REQUIREMENT TO MAINTAIN:** None.

**DIVIDEND RATES:** This account is a non-interest bearing account.

**ELECTRONIC SERVICES LIMITATIONS:** You will be limited to \$300 per day for Debit Card POS or ATM Transactions. You will be limited to \$300 per day for Signature Debit Transactions.

**FEES AND CHARGES:** Refer to our Schedule of Fees and Charges.

**ADDITIONAL TERMS AND CONDITIONS:** CU \$ucceed Teen Checking is only available to those members who are between the ages of 13 and 17 at the time the account is opened and are currently a full-time student. A Parent or Legal Guardian must be a signor on the account.

The Credit Union will pay for one (1) box of 25 "CU \$ucceed" personal checks per year.

**"GOOD GRADES" BONUS REWARDS:** The Student can earn a "Good Grades" bonus reward of \$10 by submitting their report card showing a GPA of 3.00 or higher. Report card must be submitted no later than 45 days after the date of the report. Only two (2) report cards can be submitted each year. Student must have a minimum of eight (8) checking transactions during the semester, have no NSF checks or overdrawn account activity and must be enrolled in e-statements to earn a Good Grades bonus.

#### **TERM SHARE CERTIFICATE ACCOUNTS (REGULAR AND IRA)**

Our Term Accounts are called Term Share Certificates and IRA Certificates.

**ANNUAL PERCENTAGE YIELD:** The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your Account, your earnings will be reduced.

**RENEWAL OF ACCOUNT/GRACE PERIOD:** Your Account will automatically renew at maturity for the same time period as the original term at the prevailing rate unless you withdraw all of the funds in your Account or make a request at maturity or within a grace period of ten (10) business days after maturity.

**RATE INFORMATION:** Our Term Share Certificate and IRA Certificate Accounts are designated fixed rate Accounts on the Dividend Rates Sheet. You will be paid these rates and yields until maturity.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly and at maturity. For the Term Share Certificate and IRA Certificate Accounts the dividend period is monthly. If you close your account before dividends are credited, you will receive the accrued dividends, less any penalty.

**MINIMUM BALANCE AND DEPOSIT REQUIREMENTS:** The minimum deposit required for you to open your Term Share Certificate and IRA Certificate is as disclosed on the Dividend Rates Sheet. You must maintain the minimum average daily balance to obtain the Annual Percentage Yield stated on the Dividend Rates Sheet and to avoid closure.

**ACCOUNT LIMITATIONS:** Except for Bump Rate Certificates you may not make deposits into or withdrawals from this Account until the maturity date. **See Early Withdrawal Penalties.**

**EARLY WITHDRAWAL PENALTY:** We may impose a penalty if you withdraw any of the funds from your Account before the maturity date. The penalty imposed shall be as follows:

If the term of the Account is one year or less, the member shall forfeit shall be as follows:

- a. all dividends for 90 days or \$25, whichever is less.
- b. if a withdrawal reduces the balance below the required minimum, the Account shall be closed and a loss of dividends as in "a" above will be assessed on the entire amount in the Account.

If the term of the Account is greater than one year, the member shall forfeit an amount equal to

- a. all dividends for 180 days on the amount withdrawn, or
- b. if a withdrawal reduces the balance below the required minimum, the Account shall be closed and a loss of dividends as in "a" above will be assessed on the entire amount in the Account.

**EXCEPTIONS TO PENALTIES:** The penalties stated above will not apply if:

1. The withdrawal is made subsequent to the death of any owner of the Term Share Certificate Account, or is made pursuant to the Credit Union's bylaws.
2. The Term Share Certificate Account is part of a pension plan which qualifies or is qualified for specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such Account following the participant's death or disability or upon attaining not less than 70 1/2 years of age, or
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the Account.

**LOAN COLLATERAL:** Term Share Certificate Account funds (excluding IRA Accounts) can be used to secure a East County Schools Federal Credit Union loan, subject to the terms and conditions as set forth in the prevailing loan policy disclosure and agreements.

### **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO BUMP RATE CERTIFICATES**

For Bump Rate Certificates you have the option to do the following:

1. Bump the rate to the current rate being offered for this product; and/or
2. Bump the term for up to three (3) additional months on a nine 9-month certificate or up to six (6) additional months on a 12-month certificate; and/or
3. Bump the principal deposit balance by making an additional deposit (minimum add is \$1,000 with a maximum total principal deposit of \$100,000, inclusive of the Original Opening Deposit shown below.

You have a one-time opportunity to exercise any or all of the above Bump Options on any one date during the original term.

### **III. OTHER TERMS AND CONDITIONS TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS**

1. To open any Account you must have at least one (1) full share (\$5.00) in your Regular Share Account. Rates are subject to change without notice.
2. All Accounts (except Checking Accounts) are not transferable except as defined in 12 CFR, Part 204.
3. Our delay in enforcing any of the terms and conditions of this Agreement and Disclosure shall not prohibit us from enforcing such terms and conditions at a later date.
4. We may endorse and/or collect items deposited to your Account which we receive without your endorsement, but may require your personal endorsement prior to accepting an item for deposit. If you deposit items which bear the endorsement of more than one person or persons that are not known to us or that require endorsement of more than one payee, we may refuse the item or require all endorsers to be present and properly identified, or to have their endorsement guaranteed before we accept the item.
5. We are not responsible for items lost while not in our possession.
6. We will deliver all statements and other notices only to the person whose signature appears first on the Signature Card / Membership Invitation. You shall exercise reasonable care and promptness in examining your statements and must promptly notify us of any unauthorized payment due to an altered item or an unauthorized signature. If you fail to uphold these duties, you understand and agree that you are precluded from asserting the unauthorized payment against us if we can prove: 1) we suffered a loss on the item because of your failure; or 2) we, in good faith, paid on another item presented by the same wrongdoer if the payment was made before you properly notified us and you have had thirty (30) days from the date of the statement to notify us. If you fail to uphold your duties but you can prove that we failed to exercise ordinary care in the payment of the relevant items, then the above preclusion will not apply and the loss on the items will be allocated between us and you to the extent our respective actions contributed to the loss. If you have failed to examine your statement and report any unauthorized item within one (1) year after your statement or the item has been made available to you, you cannot recover from us even if we failed to exercise ordinary care in paying the item.
7. We may recognize the signature of anyone who signed a Signature Card / Membership Invitation as authorized to transact business on that Account. Any payment made on your Account by us in good faith and in reliance on the terms and conditions of this Agreement and Disclosure and the Membership Invitation / Signature Card shall be valid and discharge us from liability.
8. We reserve the right to require you to give not less than seven (7) and up to sixty (60) days written notice of your intention to withdraw funds from any Account except Checking Accounts. The maximum amount you may withdraw in cash is \$3,000.00 per day unless you have made prior arrangements with us.  
The above withdrawal limitation applies to these Accounts in combination with all other Credit Union Account(s).
9. You understand and agree that Individual, Joint, Trust and Pay-on-Death Accounts may be subject to Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
10. Ownership for the primary Account and all sub-accounts shall be established and determined by the most recent Membership Invitation/Signature Card or other document(s) evidencing such Account(s). A different form of ownership may be established by executing a new Membership Invitation and Agreement. The word "owner(s)" means the owner of the funds in the case of an individual Account and it means the joint owners (both as an individual and as a group) in the case of a joint or other Account with multiple parties. A joint Account owner may be removed by completing a Request to Remove Joint Owner form which must be signed by all Account owner(s) or by closing the Account and having a new Account number assigned.
11. You are required to keep us informed of your current address. You may notify us in person at our office or by sending a written and signed notice to East County Schools Federal Credit Union, 1069 Graves Avenue, Suite 100, El Cajon, CA 92021-4573. In the event that you fail to do this, a charge may be made to your Account for the actual cost of a necessary locator service paid to a person or concern normally engaged in providing such service and incurred in determining your address. This charge will be imposed in accordance with our Schedule of Fees and Charges.

12. All non-cash payments shall be credited subject to final payment on the day of deposit. Your right to withdraw the funds represented by certain checks, savings or other items you deposit may be delayed for several days. You will be notified if your right to withdraw will be delayed. You will refer to the Credit Union's Disclosure of Funds Availability Policy for further details. Although we are not obligated to, we may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50.00," "Payment in Full," and the like), whether on the front or back, in any form or format. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any maker or payee involving such notations, whether you are the maker or payee or the funds are otherwise deposited into an Account in which you have an interest.
13. All Accounts are subject to our fees and charges as disclosed on our Schedule of Fees and Charges, which accompanies this Agreement and Disclosure and is incorporated by this reference. We shall debit such charges, including check printing costs, against any Share or Checking Account or Line of Credit Account you own (including Accounts on which you are a joint owner), except your IRA Accounts, without prior notice to you. If there are insufficient funds available in your Checking Account or Share Accounts, the funds available under the Line of Credit loan Account may be used to pay service charges or fees. The charges are payable on demand and, for Checking Accounts, will be treated as an overdraft.
14. **SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS**

The federal law dealing with funds availability requires the financial institution's endorsement area on the back of a check be kept clear or unobstructed.

This rule is designed to prevent unnecessary delays in processing your deposits as well as to promote speedier returns of dishonored checks. Only the 1-1/2 inch space from the "trailing edge" (the left edge of the backside of the check when it is facing you) can be used by you for endorsements or any other markings.

We will not be responsible for any damages incurred in the event you deposit an item which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the check caused by you or a prior endorser on the back of the check.

In the event that you draw a check on your Checking or Loan Account with us, you are responsible for any delay or misrouting of the check caused by markings placed on the check by you that obscure any depository endorsements placed by us or our agent and you agree to hold us harmless and indemnify us from any liability due to such delay or misrouting.
15. California law states that inactive Account balances must be turned over to the State after a period of three (3) years if you have not:
  - a. Increased or decreased the amount of any of your Account(s) with us or presented an appropriate record of crediting dividends or cashed a dividend check from any of your Accounts with us; or
  - b. Corresponded in writing or electronically with us concerning any of your Accounts with us; or
  - c. Otherwise indicated an interest in any of your Accounts with us as evidenced by a memorandum on file with us.

We may charge a fee for mailing an Escheat Notice. To recover funds turned over to the State, you must file a claim with the State.
16. We reserve the right to require that withdrawals made from your Accounts be made in minimum amounts as established from time to time by Board policy.
17. We may, but are not obligated to, transfer funds from your Share Account(s) or Loan Account(s) on your written or oral request. You understand and agree that no transfer will be made unless there are sufficient available funds on deposit or sufficient credit available at the time of transfer. You agree that any such transfer(s) shall be in the exact amount authorized and will be processed only on our "business days." If a transfer is to occur on a day other than a business day, such transfer will occur on the next business day. Moreover, if funds are not available for the transfer on the day authorized, the transfer may occur when sufficient funds become available.
18. Federal law requires us to report certain domestic currency transactions and foreign transactions. This reporting applies to all member Accounts at the Credit Union.
19. We agree to retain and furnish to you, if requested, copies of certain records pertaining to your Account and that these records will be available to you for the time frame required by law. You agree to pay applicable fees as listed on our Schedule of Fees and Charges for those copies.
20. You authorize us to gather whatever credit, Checking Account and employment information we consider appropriate from time to time. You understand that this will assist us in determining your initial and ongoing eligibility for an Account. You authorize us to give information concerning our experience with you to others.
21. Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all Accounts. We will not open an Account without this identification number. For additional information on this requirement, you will read "**INSTRUCTION TO PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION (IRS FORM W-9)**". These instructions are found in a separate brochure which will be furnished upon request.
22. In the event that a negative balance is created in any of your Share or Checking Accounts (whether due to ATM activity, nonsufficient funds activity, Credit Union imposed fees and charges, or otherwise) you understand and agree that we may transfer funds to such Account from any other Share, Checking Account or Line of Credit Account (excluding IRA Accounts), including Account(s) upon which you are a joint owner, in an amount equal to the negative Account balance.
23. You must be a member in good standing to maintain any savings, checking and/or loan Accounts. We may report information about your Account to credit bureaus. Late payments, missed payments, negative balances, or other defaults on your Account may be reflected in your credit report.
24. **RIGHT OF OFFSET/GENERAL PLEDGE OF SHARES: In addition to any other rights that we may have, you agree that any deposits or future deposits in or other credits to any account in which you may now or in the future may have an interest are subject to our right to off-set for any liabilities, obligations, or other amounts owed to us by you (e.g., overdrafts and any related fees and charges). You pledge all paid shares and deposits and payments thereon, which you now have or hereafter may have with us to the extent of all unpaid balances due us. In case of default, you hereby authorize us to apply any and all such funds to the payment of the unpaid balances. However, you retain full access to any and all shares on deposit not specifically pledged as collateral. No lien or right to impress a lien on shares and deposits shall apply to any of your shares which may be held in an IRA Account or a KEOGH account.**
25. As a condition of establishing Membership, we may confirm your eligibility prior to or subsequent to opening your Regular Share Account.
26. If a check or other item which we cash for you or which you deposit to your Account is returned to us as unpaid for any reason, we may charge your Account for the amount of the check or other item. This may include, among other circumstances, checks which were paid originally and later are returned to us accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. We may charge your Account for the amount without questioning the truth of such documentation. We may also charge back any amount of accrued or paid dividends related to the returned check.
27. We may represent a returned check for payment by the financial institution upon which it is drawn if there were insufficient funds to initially pay the item, but we are not required to do so. If we choose to represent the check, we may do so without telling you the check was not paid or that we are presenting it again. We may charge a fee for each deposited or cashed check charged back to your Account.
28. In the event a returned deposit causes your Account balance to become negative, we may retain the item until the negative balance is resolved.

29. You understand and agree that we must comply if we are served with any notice of garnishment or attachment, tax levy, injunction, restraining order, subpoena or other legal process relating to your Account that we reasonably believe is valid. We may charge a fee, and we may assess this fee against any Account you maintain with us, including the Account that is the subject of the legal process.
30. In the event that a money order, cashier's, teller's, or certified check is lost or stolen, you must execute and deliver to us a written Stop Payment Request and Indemnification Agreement and/or affidavit in a form acceptable to us and in time for us to have a reasonable time to act thereon. You further understand and agree that the Stop Payment Request and Indemnification Agreement is not enforceable until the later of (i) the time the Stop Payment Request and Indemnification Agreement is properly delivered to us, or (ii) the 90th day following the date of the cashier's or teller's check, or the 90th day following the date of the attempting to, or stopping payment on such check.
31. An action or proceeding by you to enforce an obligation, duty or right arising under this Agreement or by law with respect to your Account must be commenced within one year after the cause of action occurs.
32. You agree to be liable to the Credit Union for any loss, cost or expense that the Credit Union incurs as a result of your failure to follow this Agreement. You authorize the Credit Union to deduct any such loss, costs or expenses from your Account without prior notice to you. In the event the Credit Union brings a legal action to enforce the Agreement or collect any amount due under this Agreement, the Credit Union shall be entitled, subject to applicable law, to payment of its reasonable attorney fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.
33. This Agreement is governed by the Bylaws of the Credit Union, Federal laws and regulations, the laws (including applicable principles of contract law) and regulations of the State of California, and local clearinghouse rules, as amended from time to time. To the extent permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union's headquarters office is located.
34. If you close your Regular Share Account within ninety (90) days of its opening, an Account Closure fee may be charged in accordance with our Schedule of Fees and Charges.

#### **35. FACSIMILE SIGNATURES/INSTRUCTIONS**

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

#### **36. COLLECTION ITEMS**

Some items, such as items subject to processing delays (e.g., insurance drafts, returned substitute checks and foreign items), cannot be credited to your Account until we receive the funds. On such items, we will tell you this and give you an estimate of the time it will take to receive the funds. When funds are received, we will notify you and immediately credit your Account for that amount minus any service charge levied by a third party. Refer to our current Schedule of Fees and Charges.

37. All Accounts are verified through ChexSystems. We may refuse to open an Account based on information provided by them.

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

#### **39. LOST ITEMS FOR DEPOSIT OR ENCASHMENT**

We act only as your collection agent when receiving items for deposit or encashment. You should be aware that we reserve the right to reverse the credit for any deposited item or charge your Account for cashed items should they become lost while in the process of collection. If we do not reverse a credit, you agree to assist us in collecting the amount of any lost items by providing us with such information and other assistance as we request. We may charge your Account when a photocopy of a check you have written is presented to us for payment in place of a lost original, unless a stop payment order is in effect for the check.

#### **40. EMAIL ADDRESS**

By supplying a valid email address to the Credit Union, you are selecting email as a preferred delivery method for correspondence that the Credit Union elects to make available via this communication method.

#### **41. ACCOUNT SERVICES FOR MINORS**

The Credit Union may, from time to time, elect to offer and/or provide minors with access to their Credit Union funds via checking Accounts and/or debit cards. An adult joint owner may be required and will be the responsible party for the Account.

#### **42. TELEPHONE MONITORING**

To ensure you receive courteous and efficient service, supervisory personnel in our Member Service Center may randomly monitor member telephone conversations. These conversations may be recorded.

#### **43. TERMINATION/RESTRICTION ON ACCOUNTS**

Consistent with the Credit Union's bylaws, your Account or other relationship with us may be terminated by you or by us at any time and without previous notice. Closure of an Account will not affect your obligation to pay any outstanding balances or charges owed. We may terminate the Account by mailing you a notice (prior to or immediately after closing the Account) and/or a check for the Account balance. Thereafter, the funds will stop earning interest (even if the check is returned or remains un-cashed for any reason).

Your Account(s) may also be terminated or closed by us at any time, without prior notification, if it has a zero balance, for a period greater than three months. The Credit Union also reserves the right to close your Account without prior notification if: (1) there has been a forgery or fraud reported or committed involving your Account; (2) there is a dispute as to the ownership of the funds in the Account; (3) your Account checks are lost or stolen; (4) there are excessive returned unpaid items; (5) there has been any misrepresentation, deliberate manipulation or any abuse of your Account. Manipulation includes, but is not limited to, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation "CC" hold periods and/or "interest float" to our detriment; (6) you furnish false or misleading information to us regarding your Account(s).

We reserve the right to suspend or deny all services, close your Account and, if appropriate restrict your access to Credit Union premises if you fail to conduct your business with the Credit Union in a civil and business-like way. Violence, threats of violence, or harassment against Credit Union staff, volunteers or other Members will not be tolerated.

You may terminate any Account at any time by notifying us orally, by writing to us at the Credit Union, or by informing us in person at one of our branches, but such notice will not affect any prior transactions on any Account. The Credit Union is not responsible for payment of any check, withdrawal or other item once any Account is terminated; however, if the Credit Union pays any items after termination, or if any Account is terminated due to overdraft, you agree to reimburse the Credit Union for any payment or overdraft.



The Credit Union may report information about your Loan Account to credit bureaus, late payments, missed payments, or other defaults on your loan Account may be reflected in your credit report.

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at East County Schools Federal Credit Union, 1069 Graves Avenue, Suite 100, El Cajon, CA 92021, so we can investigate.

44. Address change requests must be in writing and may require authorization from the Primary Account Owner.

#### **ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL**

*Please read this provision carefully. It affects your rights and may have a substantial impact on how legal claims you and we have against each other are resolved if you do not opt-out as permitted below.*

#### **ARBITRATION**

To the extent permitted by the Federal Arbitration Act (the "FAA") and any other applicable federal law, binding arbitration may be elected by either party with respect to any past, present or future claim or controversy arising out of or relating to this Agreement and/or a Credit Union account, even if that party has already initiated a lawsuit with respect to a different claim. Arbitration is elected by giving a written demand for arbitration to the other party, by filing a motion to compel arbitration in court, or by initiating arbitration against the other party. You and we agree, upon such written demand, motion or initiation, to submit to, and that such claim shall be settled by, binding arbitration.

The arbitration will be subject to the Rules of the American Arbitration Association ("AAA") in effect at the time the arbitration is initiated, or such similar rules as may be adopted by AAA. Neither party will demand the arbitration of an action filed in small claims court, or its state's equivalent court, for any claim or dispute within the scope of the small claims court's jurisdiction. But if a claim is transferred, removed or appealed to a different court, such claim shall be subject to arbitration.

This arbitration provision shall be interpreted and enforced in accordance with the FAA by a single arbitrator appointed by the AAA. The arbitrator shall be an attorney, retired judge or AAA panel member with experience and knowledge regarding financial institutions and transactions. The fees and costs of the arbitration pursuant to this Agreement shall be paid by the Credit Union.

In each case, each party will pay for its own attorney fees and costs, if any, for prosecuting and defending claims, except that the arbitrator may award the prevailing party all its attorney fees and costs, including expert witness fees.

Arbitration hearings will be held in a location reasonably convenient to your residence, or at another location if mutually agreed. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator. Only a court, and not an arbitrator, however, shall determine the validity and effect of the class action and jury trial waivers below. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law must be followed by the arbitrator, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. The arbitrator's decision shall be final and binding and may be entered in any state or federal court having jurisdiction. The arbitrator may award any remedy provided by the substantive law that would apply if the action were pending in court. For more details, check the American Arbitration Association's website, [www.adr.org](http://www.adr.org), OR call the American Arbitration Association's Customer Service telephone number at (800) 778-7879.

#### **WAIVER OF CLASS ACTION AND JURY TRIAL**

**We each agree that any and all disputes, whether submitted to arbitration or decided by a court, must be brought in the party's individual capacity and not as a class action plaintiff or class member in any purported class or representative proceeding. You agree to waive the right to participate in a class action or litigate on a class-wide basis. You agree that you have expressly and knowingly waived these rights. You and the credit union hereby voluntarily and knowingly waive the right to trial by jury of all disputes, controversies and claims by, between or against either you or the credit union whether the dispute, controversy or claim is submitted to arbitration or is decided by a court, to the fullest extent allowed by law.**

#### ***YOUR RIGHT TO OPT-OUT: ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL***

**If you do not want this arbitration and waiver of class action and jury trial provision to apply, you may opt-out by sending a written request to the credit union postmarked within sixty (60) days of your receipt of this agreement. The opt-out must include your full name, address, telephone number, account number and personal signature, and must be mailed to the credit union at: East County Schools Federal Credit Union, 1069 Graves Avenue, Suite 100, El Cajon, CA 92021. Opting out will not terminate this agreement or affect any other rights and obligations you or the credit union have under this agreement.**

This arbitration provision does not preclude you from bringing issues regarding your accounts to the attention of any federal, state or local agency or entity. Such agency or entity may be able to seek relief on your behalf.

Nothing in this arbitration provision shall limit your or our right, whether before, during, or after the pendency of any arbitration proceeding, to exercise any self-help remedies, such as set-off or repossession and sale of collateral, or to obtain provisional remedies (including but not limited to, injunctive relief or interpleader relief). The exercise of such rights will not constitute a waiver of the right to submit any dispute to arbitration.

This Arbitration and Waiver of Class Action and Jury Trial provision shall survive your death, the closing of any of your accounts, the termination of any of your business or transaction(s) with us, and any bankruptcy filing to the extent consistent with applicable bankruptcy law, and shall also survive as to any claim within the scope of this Agreement.

If any term or provision of this Arbitration and Waiver of Class Action and Jury Trial provision is held to be invalid or unenforceable, the remaining provisions shall be enforced without regard to the invalid or unenforceable term or provision.

#### **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO INDIVIDUAL AND JOINT ACCOUNTS**

1. If there is more than one owner, all agree with each other and with us that all sums now paid in on shares by any one or all Account owner(s) including all dividends thereon, if any, are and shall be owned by all Account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and shall be subject to withdrawal or receipt by any of the Account owner(s) or the survivor(s) of any of the Account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.
2. We are not obligated to inquire as to the source of funds received for deposit to a joint Account or to inquire as to the proposed use of any sums withdrawn from the Account for the purpose of establishing net contributions.
3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of shares.
4. You may pledge any or all of the shares on deposit in a Regular Share Account as collateral security to any loan(s) subject to then current loan policies. Further, a pledge of shares by any one of you will be binding on all of you.
5. A right of survivorship arising from the express terms of a joint Account cannot be changed by will.
6. Being a joint owner of a member's Account does not constitute Credit Union membership for the joint owner. Joint owners may be non-members. As a result, Credit Union Benefits may be limited.

#### **TERMS AND CONDITIONS APPLICABLE TO PAY-ON-DEATH (P.O.D.) DESIGNATION**

1. If you have made a Pay-On-Death (P.O.D.) Designation, all sums are payable on request by you during your lifetime and upon your death to your designated P.O.D. payee(s) in equal and individual shares or, if the Account is jointly owned to one or more Account owner(s) during their lives and on the death of all of them to one or more payees then surviving in equal and individual shares. As between P.O.D. payees, there is no right of survivorship.

2. You may pledge any or all funds on deposit in the Account as collateral security to any loan(s) subject to then current loan policies. Further, a pledge of shares by any one of you shall be binding on all of you.
3. A Pay-On-Death Designation cannot be changed by will.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL LIVING TRUST ACCOUNTS**

You understand and agree that this Living Trust Account will be governed by the terms and conditions of this Agreement. For a Revocable Living Trust at least one trustor of the Trust must be a member of Credit Union, and for an Irrevocable Living Trust either all of the trustors or all of the Beneficiaries of the Trust must be members of the Credit Union. The Credit Union does not act as a trustee and is under no obligation to inquire as to the powers or duties of the trustee(s). Regarding any transaction on this Account, the Credit Union may ask the trustee to provide a Certification of Trust, and the Credit Union will not read, interpret or retain copies of the Trust Agreement. The trustee agrees to notify the Credit Union of any changes in the terms of the Trust that would affect the trustee's authority to transact business on the Living Trust Account or status of the membership of the parties to the Trust.

1. You may pledge any or all funds on deposit in the Account as collateral security to any loan(s) (excluding IRA Accounts) subject to then current loan policies. Further, a pledge of shares by any one of you shall be binding on all of you.
2. A right of survivorship or a beneficiary designation in a Trust Account cannot be changed by will.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL FIDUCIARY ACCOUNTS**

1. You are duly appointed and acting in the capacity of Executor/ Executrix, Administrator/Administrate, Guardian or Conservator. By the authority vested in you, you are acting individually or jointly, authorized and empowered to transact business of any character in connection with this Account. Your authority shall continue in force until written notice to the contrary is received by us.
2. You may pledge any or all shares on deposit in the Account as collateral security to any loan(s) subject to then current loan policies. Further, a pledge of shares by any one fiduciary shall be binding on all fiduciaries.
3. If a Checking Account is opened with us, you agree that the Account shall be governed by the terms of this Disclosure and Agreement as well as the terms of the Membership Invitation/Signature Card.
4. If the Account is blocked, you understand that you shall file with the court a written document including the agreement with the Credit Union that the money in the Account, including any earnings thereon, shall not be withdrawn except upon court order.

#### **TERMS AND CONDITIONS APPLICABLE TO ALL SOLE PROPRIETORSHIP ACCOUNTS**

1. You affirm that you are the sole proprietor of the sole proprietorship named on the Signature Card. We may pay out funds with your signature. We may accept and/or endorse checks made payable to you or the sole proprietorship named on the Signature Card which we receive for deposit.
2. You may pledge any or all funds on deposit in the Account as collateral security to any loan(s) subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the Account shall be governed by the terms of this Disclosure and Agreement as well as the terms of the Membership Invitation/Signature Card.

#### **TERMS AND CONDITIONS APPLICABLE TO CORPORATE, PARTNERSHIP, UNINCORPORATED ASSOCIATION (CLUB) AND DISTRICT ASSOCIATION ACCOUNTS**

1. The person(s) named on the Signature Card are duly authorized to make the certification to certify, that at a regularly held meeting, the person(s) named were elected or appointed officers of said corporation or organization or are duly acting partners of said partnership, and that by virtue of the authority vested in you by the constitution, bylaws or otherwise, any one (1) of the signatories, as named on the Signature Card, is authorized and empowered to transact business of any character whatsoever in connection with the Account. You certify that signature(s) appearing on the Signature Card are the genuine signature(s) of said authorized person(s); and that your authority shall continue in force until written notice to the contrary is received by us.
2. You may pledge any or all funds on deposit in the Account as collateral security to any loan(s) subject to then current loan policies. Further, a pledge of shares by any one of you shall be binding on all of you.
3. If a Checking Account is opened with us, you agree that the Account shall be governed by the terms of this Agreement as well as the terms of the Membership Invitation/Signature Card.
4. To be eligible to join the Credit Union, a corporation, partnership, or unincorporated association must be located within San Diego County, California.

#### **DISCLOSURE OF FUNDS AVAILABILITY POLICY**

Our general policy is to make funds from your cash and check deposits available to you on the first business day the day after we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

In some cases, we may place a hold for uncollected funds on an item you deposit. This could delay your ability to withdraw such funds.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays.

For purposes of computing the amount of dividends with respect to an Account, the Credit Union will not delay computing dividends on funds deposited by check or similar instrument to your Account beyond the date on which the Credit Union provisionally credits your Account. However, the payment of dividends with respect to such funds deposited by an item which is returned unpaid is not required. As a matter of general policy, the Credit Union will immediately provide you with provisional credit for negotiable items deposited.

East County Schools Federal Credit Union does not accept for deposit items drawn on non-U.S., financial institutions or items made payable in non-U.S., dollars. All items accepted for deposit by ECSFCU must be drawn on, or payable through a U.S. financial institution and made payable in U.S. dollars.

East County Schools Federal Credit Union, at our discretion, may refuse to accept a check presented for cash or deposit.

#### **DEPOSITS AT AUTOMATED TELLER MACHINES**

The first \$300 of your deposits each business day at an automated teller machine will be available immediately. The remaining funds will be available after two business days, unless a longer delay is applied as outlined in Longer Delays May Apply section.

##### **ATM Hold Schedule**

Deposits made on:

Monday will be available Wednesday

Tuesday will be available Thursday

Wednesday will be available Friday

Thursday will be available Monday

Friday will be available Tuesday

Saturday or Sunday will be available Wednesday

## 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 day of your 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. However, the first \$200 of your deposit will be available on the first business day except when the deposit is made at a Non-ECSFCU ATM. Deposits made at Non-ECSFCU ATMs may have up to a five day hold placed on them.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit and also inform you of the date they 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 day after we receive your deposit.

In addition, funds you deposit 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 communications or computer equipment.

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

## SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your Account is open. Funds from electronic direct deposits to your Account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000.00 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury Check) is not made in person to one of our employees, the first \$5,000.00 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the tenth business day after the day of your deposit.

## HOLDS ON OTHER FUNDS (CHECK CASHING)

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

## OTHER INFORMATION:

1. Please be sure to provide the Credit Union with your correct and legal name. If your name has changed, for example because of marriage, you are required to contact the Social Security Administration to report your new name.
2. On joint Accounts, the TIN of the primary owner must be provided to the Credit Union, and it is that number under which dividends will be reported to the IRS.
3. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

