

# Membership & Account Agreement

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## Our Membership and Account Agreement with You

At Proponent Federal Credit Union, we offer quality financial services. This booklet, account product disclosures, fees & charges schedules, and certificate disclosures that you receive when you open your account represent our agreement with you and contain important information about your account. Please read them carefully. By signing our membership application, requesting an account, or maintaining an account, you acknowledge that you have reviewed, understand and agree to be governed by this agreement.

## Terms and Conditions

This Agreement covers your and our rights and responsibilities concerning Account(s) offered to you by Proponent Federal Credit Union. In this Agreement, the words "you" and "yours" means anyone who signs a membership application form or change form (application). The words "Proponent", "we," "us," and "our" mean Proponent Federal Credit Union. The word "account" means any one or more share or other accounts you have with Proponent. The classification and form of ownership of your accounts is set forth on your application. By signing an application, each of you, jointly and severally, agree to the terms and conditions in this Agreement and application, Funds Availability Policy Disclosure, the Truth-in-Savings Rate and Fee Schedule (Rate and Fee Schedule) if applicable, and any Account Receipt, accompanying this Agreement, and Proponent's Bylaws and policies, and any amendments of these documents from time to time which collectively govern your Membership and Accounts.

## Our Relationship

Unless otherwise expressly agreed in writing, our relationship with you will be that of debtor and creditor. No fiduciary, quasi-fiduciary or other special relationship exists between you and us. We owe you a duty of ordinary care. Any internal policies or procedures we maintain are solely for our own purposes and do not impose a higher standard of care than otherwise would apply by law without such policies or procedures.

## Binding Contract

This deposit agreement and disclosure, fees and charges schedule, the application, and any other account opening disclosures and documents for your account are part of the binding contract between you and us (the "Agreement") for your deposit relationship with us. When you open or keep open a deposit account with us, you agree to the terms and conditions described in this Agreement. We provide a copy of this Agreement to you when you open your account. You may obtain additional copies on our website. If you have any questions or need additional information, please contact one of our representatives.

Except as otherwise provided in this agreement, the laws of the state where we maintain your account will govern your account and the interpretation of this agreement. You may have another agreement with us which, by its terms, supersedes this agreement in whole or

in part. For example, if you are a governmental unit or a business customer, certain provisions of your other agreements with us (e.g., account analysis agreement or night depository agreement) may supersede some of the terms of this agreement, to the extent that they are inconsistent. If you are a consumer, your accounts may also be governed in part by one or more electronic funds transfer agreements.

## Changes to Agreement

We may change this Agreement at any time. We may add new terms and conditions and we may delete or amend existing terms and conditions. We generally send you advance notice of adverse change. If the change is not adverse to you, we may make change at any time without advance notice. If you do not agree with any change, you may close your account. However, if you continue to use your account or keep it open, this acknowledges your acceptance and agreement to any changes. The most current version of this Agreement supersedes all prior versions and contains the terms governing your account.

## Expulsion and Denial of Services

You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to Proponent.

Proponent may terminate your account and/or services if (1) there are excessive returned unpaid items not covered by an overdraft protection plan; (2) there has been any misrepresentation or any other abuse of any of your accounts or services; (3) Proponent reasonably deems it necessary to prevent a loss to Proponent.

Please read our Expulsion and Denial of Services Policy, located on our website, for more information.

Additionally, Proponent may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers (including the death of a primary owner), (2) there has been fraud or forgery reported or committed involving your account, (3) there is a dispute as to the ownership of the funds in the account; or (4) any checks are lost or stolen.

## Privacy Policy

Proponent Federal Credit Union Privacy Act Notice

## Important Privacy Information for You, Our Member

Please read this Privacy Policy carefully since it is intended to give you important information about how Proponent collects and uses the personal information we obtain about you. This privacy notice applies to you (or to your legal representative) only if you are an individual who obtains or has obtained a financial product or service from Proponent that is to be used primarily for personal, family or household purposes. At Proponent, we respect your privacy. We believe that respecting your privacy, along with protecting your financial assets, are two of our most important obligations to you. This is why we are pleased to provide you with this privacy notice so that we can show you how we handle your personal information.

Proponent is owned by its members and run by a Board of Directors you elect. You can be confident that your financial privacy is a priority of this credit union. We are required by law to provide this Privacy Notice to explain how we collect, use and safeguard your personal financial information.

At Proponent we collect, use and safeguard your personal financial information so we can meet your needs and maintain account relationships with you. We will not share information we have collected about our members or former members except as permitted or required by law.

### Information We Collect and Disclose About You

We collect nonpublic personal information about you from the following sources:

- > Information we receive from you on applications and other forms;
- > Information about your transactions and account experience with us, our affiliated companies, or others;
- > Information we receive from a consumer credit reporting agency; and
- > Information from other outside sources to verify information you provided, such as your employment, credit or banking relationships, or property insurance coverage

**"Nonpublic personal information"** is nonpublic information about you that we obtain in connection with providing a financial product or service to you. For example, nonpublic personal information includes information regarding your account balance, payment history, and overdraft history.

### Why we collect the information

We request, collect and retain personal information about you to:

- > Help us to service your account and process your transactions;
- > Help us identify you and better protect your personal and financial information from access by unauthorized parties;
- > Better understand your financial needs so we can provide you with more meaningful financial products and services;
- > Help us design new products or improve the delivery of our services; and
- > Comply with laws and regulations that govern us

### Information we share

In order for us to provide competitive products and services, we may disclose information about you to companies that perform services on our behalf or to other financial institutions with which we have joint marketing agreements. We only work with companies that agree to maintain strong confidentiality safeguards and limit the use of information we provide. We do not permit these companies to sell the member information we provide to other third parties.

We do not share any nonpublic personal information about you with nonaffiliated third parties except with your consent or as permitted or required by law, which may include servicing your account and/or processing a transaction. We also want to inform you that, under the Federal Fair Credit Reporting Act, we are permitted to share your name, address and information about your transactions with us and about your experiences with our affiliated companies.

### How We Safeguard Your Information

We restrict nonpublic personal information to those Proponent employees and those service providers who have a specific need to utilize your data in providing you with the services you requested. We maintain physical, electronic and procedural safeguards that are in compliance with federal regulations and leading industry practices to protect this information.

Our employees are required to adhere to the Proponent's Code of Ethics requiring them to keep all member information confidential. Employees are required to protect the privacy of information about our members regardless of what medium is used to fulfill your request. Our service providers warrant that they will not disclose your personal information or use it in any manner other than the use for which they obtained your information. In addition, we maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information

Proponent will maintain appropriate security standards and procedures regarding unauthorized access to member information. We will continuously assess ourselves to ensure that member privacy is respected.

If you have any questions regarding our privacy policy, please contact our Member Support Team at 800 457 8058 or write us at:

Compliance Department  
Proponent Federal Credit Union  
536 Washington Avenue  
Nutley, NJ 07110

### Personal information on former members and account holders

If you close your account(s) with us or if you become an inactive member, we will adhere to the privacy policies and practices described in this notice.

### Visitors to Our Website

Visitors to our website agree, among other things, to comply with terms and conditions of any website policy that we place on our website and that may change from time to time. Visitors to our website remain

anonymous, unless they register for a service or otherwise elect to disclose their identity to us. Although we do not collect personal identifying information about persons who simply visit our site, we do collect certain limited information about visitors, such as their IP address (a numeric address assigned automatically to computers when they access the Internet). We also may place "cookies" on a computer to track a visitor's use of our web site. A cookie is a piece of data that is stored on your hard drive. It takes up very little room on your system and helps us to customize our site and make its navigation easier for you. We sometimes use cookies to help estimate the number of visitors to our site and to determine which areas are the most popular. Unless you register with us for a service (such as our Digital Banking service), the cookie does not provide us with any personal identifying information about you, such as your name or address.

### Maintaining Accurate Information

We have procedures in place that help us to maintain your financial information in an accurate and up-to-date manner. If you believe that your account information is inaccurate or incomplete, please contact us promptly so that we can investigate the error.

### Minors

We feel strongly about protecting the privacy of children and teenagers. As such, we do not knowingly collect personal identifiable information from persons under the age of 18 through our web site.

### Services and Advertisements by the Third Parties

Third parties may offer services from time to time on our web site. If you provide them with information, their use of that information will be subject to their privacy policy, if any, and will not be subject to this policy. If you accept third party goods or services advertised on our web site, the third party may be able to identify that you have a relationship with us (e.g., if the offer was only made through our site).

### Changes to this Policy

We may add to, delete from, or change the terms of this Privacy Policy from time to time. Please write us at 536 Washington Ave. Nutley, NJ 07110 or call us at (800) 457-8058 if you need any additional information about our privacy practices.

## OWNERSHIP OF ACCOUNTS

This section describes some of the ways that title can be held to an account. You must clearly indicate on your membership application or application the exact way you want your account to be owned and held. You may wish to consult with an attorney and/or tax advisor before deciding which form is best for you. We may rely solely on our account records to determine the ownership of your account.

**Membership Eligibility.** To be eligible for membership in Proponent you must be an individual or entity qualifying within Proponent's field of membership and must purchase and maintain at least one share (the "membership share") as required by Proponent's Bylaws. You authorize us to check your account, credit, and employment history, and obtain a credit report from third parties, including credit reporting agencies, to

verify your eligibility for the accounts and services you request.

**Single Party Accounts.** A single party account is an account owned by one member including any individual, corporation, partnership, trust, or other organization qualified for Credit Union membership. If the account is a single party account the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or Payable on Death (POD) beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death.

**Multiple Party Accounts.** An account owned by two or more persons is a multiple party account.

**a. Rights of Survivorship.** For a multiple party account with rights of survivorship, upon the death of one of the owners, that person's interest will pass to the surviving owners. For a multiple party account without rights of survivorship, the interest of a deceased owner will pass to the decedent's estate. Unless otherwise stated on the membership application, a multiple party account is an account with rights of survivorship, and the interest of a deceased owner will pass to the surviving owners.

**b. Control of Multiple Party Account Owners.** Any multiple party account owner is authorized and deemed to act for the other owner(s) and Proponent may accept orders and instructions regarding the account, requests for future services, and any transaction from any other account owner. Each multiple party account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, transfer, or pledge to Proponent all or any part of the shares of any account without the consent of the other account owner(s) and Proponent shall have no duty in such event to notify any other account owner(s). Proponent reserves the right at any time to require written consent of all account owners for a change of ownership or termination of a multiple party account. If Proponent receives written notice of a dispute between account owners or receives inconsistent instructions from them, Proponent may suspend or terminate the account, require a Court order to act or require that all account owners agree in writing to any transaction concerning the account.

**c. Multiple Party Account Owner Liability.** If any item deposited in a multiple party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple party account owners is jointly and severally liable to Proponent for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to Proponent, Proponent may enforce its rights against any or all funds in the multiple party account regardless of who contributed the funds to the account.

**POD/Trust Accounts.** A Payable on Death (POD) account or trust account designation is an instruction to Proponent that an account so designated is payable to the owner or owners during their lifetimes, and upon the death of the last account owner, payable to any named and surviving POD or trust beneficiary designated on your membership application. Accounts payable to more than one surviving beneficiary are

owned jointly by such beneficiaries without rights of survivorship.

Any POD or trust beneficiary designation shall not apply to Individual Retirement Accounts (IRAs), which shall be governed by a separate beneficiary designation. Proponent shall at no time have any obligation whatsoever to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.

#### **Power of Attorney**

We are not required to recognize any Power of Attorney to act on an account even if we have previously accepted the Power of Attorney for other transactions. We also reserve the right to restrict the types or sizes of transactions we will permit the Attorney-in-Fact to conduct on a case-by-case basis and may require the Attorney-in-Fact to present the original Power of Attorney before conducting any transaction.

**Accounts for Minors.** For any account established by a minor, Proponent reserves the right to require the minor account to be a multiple party account with an owner who has reached the age of majority under state law who shall be jointly and severally liable to Proponent for any returned item, overdraft, or unpaid charges or amounts on such account. Proponent may make payments of funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account. Proponent has no duty to inquire of the use or purpose of any transaction by the minor or any account owner. Proponent shall not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

**Uniform Transfers/Gifts to Minors Account.** A Uniform Transfers/Gifts to Minors Account (UTTMA/UGMA) is an individual account established by a member as a custodian by depositing funds as an irrevocable gift to a minor. The minor to whom the gift is made is the owner and beneficiary of the funds. The custodian has possession and control of the account for the exclusive right and benefit of the minor, and barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. Proponent has no duty to inquire of the use or purpose of any transaction by the custodian. In the event of the custodian's death, Proponent may place an administrative hold on the account, until it receives instructions from any person authorized by law to withdraw funds or a court order authorizing such withdrawal.

**Agency Designation.** An Agency designation is an instruction to Proponent that the account owner has authorized another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account or Credit Union voting rights. Proponent has no duty to inquire of the use or purpose of any transaction by the agent.

## Deposit of Funds Requirements

Funds may be deposited to any account, in any manner approved by Proponent in accordance with the requirements set forth on the Rate and Fee Schedule.

**a. Endorsements.** You authorize Proponent, in its discretion, to accept

transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more owners on the account, whether or not they are endorsed by all payees. You authorize Proponent to supply missing endorsements of any owners if Proponent chooses to supply such endorsements. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, Proponent may require endorsement as set forth on the item. If a check, draft or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. Endorsements must be placed in the space on the back of the share draft or check between the top edge and 1 1/2 inches from the top edge. Proponent may accept drafts or checks with endorsements outside this space. However, if any such endorsement or any other markings you or any prior endorser has made on the draft or check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by Proponent due to the delay or error. You agree to reimburse us for any loss, cost or expense we incur as a result of your failure to endorse an item exactly as drawn. If we receive an affidavit stating that one or more endorsements on a check or other item deposited into your account is forged, we may freeze the amount or charge back the amount of the item to your account, even though you have already used the funds. If you already used the funds you agree to reimburse us and pay any fees we may charge for such forged checks or other items.

**b. Collection of Items.** Proponent shall not be responsible for deposits made by mail or at an un-staffed facility until Proponent actually receives them. In handling items for deposit or collection, Proponent only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. Proponent will not be liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. Proponent reserves the right to send or accept any item for collection. We generally take foreign or damaged items on a collection basis only. If an item is accepted on a collection basis, we may charge a fee for the collection whether or not the item is paid and will not credit your account with the funds until we receive them from the payor financial institution. If we elect to credit your account before then, we may charge your account for the amount if we do not receive payment for any reason. The institution upon which the item is drawn may also charge you a fee in connection with the collection.

Any item that we accept for deposit or encashment is subject to later verification, adjustment and final payment. We may deduct funds from your account if an item is lost, stolen or destroyed in the collection process, or if it is returned to us unpaid, even if you have already used the funds. Cash deposits are also subject to later verification.

**c. Final Payment.** All items or ACH (Automated Clearing House) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of such items or ACH transfers or both and impose a return item charge on your account. If Proponent incurs any fee to collect any item, Proponent may charge such fee to your account. Proponent reserves the right to refuse or to

return all or any item or funds transfer. Proponent shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to Proponent unpaid, regardless of whether the amount of the item has been available for your use.

**d. Direct Deposits.** Proponent may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at Proponent. You must authorize any direct deposits to your accounts by a separate authorization form provided by originator. If applicable, you must notify Proponent at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon a filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and Proponent to make and apply direct deposits in accordance with your authorization on file with Proponent. If Proponent is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree Proponent may deduct the amount returned from any of your accounts, unless prohibited by law.

**e. Crediting of Deposits.** Deposits made after the deposit cutoff time and deposits made on federal holidays and on days that are not business days of Proponent will be credited to your account on the next business day. Deposits received at unstaffed facilities such as night depositories will be credited on the day funds are removed and processed by Proponent. Items drawn on an institution located outside the United States are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by Proponent for credit to your account or for collection.

## Account Access

**a. Authorized Signature.** In order to access any account, Proponent must have an authorized signature of yours on an membership application. The signature(s) appearing on the membership application are the authorized signatures for your account. Proponent is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine or bears a signature that (in our opinion) does not satisfactorily compare with the specimen signature on file with us. All checks written on your account must be drawn in U.S. Dollars. If your checks are presented for payment or acceptance on a weekend, a holiday, or after our processing cutoff hour, we may treat them as if we had received them on the next business day. We may process your checks and other transactions in any order we choose.

Although your card may indicate that more than one signature is required on checks and for the withdrawal or transfer of funds, that notation will be principally for your own purposes. We will not assume a duty to support multiple signature requirements. As such, we may not confirm that two or more (or any combination) of authorized signers

have approved a transaction. Unless we enter into a separate written agreement to the contrary, we may act upon the instructions of any one authorized signer. Although we may attempt on occasion to enforce the multiple signature requirement shown on your card (e.g., by refusing to permit a transaction by less than the stated number of authorized signers), we may cease doing so at any time and without prior notice to you. If you have authorized the use of a facsimile signature, Proponent may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction. We may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds. You agree that signatures by your authorized agents (e.g., persons acting under a power of attorney) are valid, even if the principal-agent relationship is not indicated on the check or instruction. If we question the authenticity of your check being presented by a second party for cashing, we may attempt to contact you for verification. If we are unable to reach you, we may refuse to cash your check.

**b. Unauthorized Check Transactions.** If you discover a check forgery, alteration or other unauthorized transaction involving your account, you must promptly notify Proponent in writing of the relevant facts. You agree to maintain a current check register and to review carefully and promptly all statements and notices we send to you. You agree that, if you receive our check truncation service, your statements will be deemed to provide sufficient information about your checks for you to determine whether any payment was not authorized because of an alteration or unauthorized signature if they provide the check number, amount and date of payment. If you fail to notify us within a reasonable time (not exceeding 30 days after we mail or deliver the item or statement to you) of an unauthorized transaction, we may not be responsible for subsequent forgeries or alterations by the same wrongdoer. Without regard to care or lack of care of either you or us, if you do not discover and report a check forgery, alteration or other unauthorized transaction within six months after your statement or the item is made available to you, you are precluded from asserting the unauthorized transaction against us. If you claim a credit or refund because of an unauthorized transaction, you agree to provide us with a declaration containing whatever reasonable information we require regarding your account, the transaction, and the circumstances surrounding the claimed loss. You also agree to make a report to the police and to provide us with a copy of the report, upon request. We will have a reasonable period of time to investigate the circumstances surrounding any claimed loss. During our investigation, we will have no obligation to provisionally credit your account. Our maximum liability will never exceed the amount of actual damages proven by you. Our liability will be reduced: (i) by the amount of the loss that is caused by your own negligence and lack of care; and (ii) to the extent that damages could not have been avoided by our exercise of ordinary care; and (iii) by any loss recovery you obtain from third parties (applied first to reduce our obligations to you). 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. Unless otherwise required by law, we will not be liable for incidental, special or consequential damages, including loss of profits and/or opportunity or for attorney's fees incurred by you, even if we were aware of the possibility of such damages. You agree to pursue all rights you may have under any insurance policy you maintain in connection with any loss associated with your account and to provide us with information regarding coverage. Our liability will be reduced by the amount of any insurance proceeds you receive or are entitled to receive in connection with the loss. If we reimburse you for a loss and the loss is covered by insurance, you agree to assign us your rights under the insurance policy to the extent of our reimbursement. When you report missing, stolen, or unauthorized checks, we may recommend that you close your current account and open a new one. If you open a new account, you must notify all third parties that need to know your account number. If we recommend you close your account and you choose not to do so, we may exercise our right to terminate or close the account by giving oral, electronic or written notice to you or to any of the authorized signers on the account. *(Note: Different liability rules apply to certain electronic fund transfers. See under "Electronic Banking Services")*

**c. Access Options.** You may make withdrawals or transfers from your account in any manner which is permitted by Proponent (i.e., draft automated teller machines (ATMs), in person, by mail, automatic transfer, or telephone, as applicable). If Proponent accepts any draft that is not drawn on a form provided by Proponent, you will be responsible for any loss incurred by Proponent for handling the draft. Proponent may return as unpaid any draft that is not drawn on the form provided by Proponent. Proponent has the right to review and approve any form of power of attorney and may restrict any withdrawals or transfers on your accounts.

**d. ACH & Wire Transfers.** Credit for an automated clearing house ("ACH") transfer is provisional until the receiving financial institution obtains final settlement.

If provided by Proponent, you may initiate or receive credits or debits to your account via wire transfer or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, Proponent is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. Proponent may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if Proponent does not receive final settlement for an ACH transfer, we may reverse the provisional credit to your account or you will refund the amount to Proponent. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. Proponent (and other institutions) may rely on the account or other identifying number as the proper identification, even if it identifies a different party or institution. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

**e. Credit Union Examination.** Proponent may disregard information on any draft or check other than the signature of the drawer, amount of the item and any magnetic encoded information. You agree Proponent does

not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

**Account Rates and Fees.** Proponent's payment of earnings on your account is subject to the account rates and fees, payment and balance requirements as set forth in the Rate and Fee Schedule. Proponent may charge you fees for accounts and services provided by Proponent. The fees and charges that may be assessed against your account are set forth on the Rate and Fee Schedule. You agree Proponent may change the Rate and Fee Schedule at any time, and you will be notified of such changes as required by law.

## Transaction Limitations

**a. Withdrawal Restrictions.** Proponent may permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient funds will be subject to a service charge, set forth in the Rate and Fee Schedule. If there are sufficient funds to cover some but not all of your withdrawal orders, Proponent may allow those withdrawals for which there are sufficient funds in any order at Proponent's discretion. Proponent may also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered Proponent to allow the withdrawal); a legal garnishment or attachment is served; the account secures any obligation to Proponent; any required documentation has not been presented; or you fail to repay a Proponent loan on time. You will be advised of the reasons for refusal if such action is taken. Proponent reserves the right to require members to give notice in writing of any intended withdrawals from any account of not less than seven (7) days and up to sixty (60) days in accordance with applicable law before such withdrawal.

**b. Transfer Limitations.** For share savings and money market accounts, if applicable, you may make up to six (6) preauthorized, automatic, telephonic, or audio response transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with Proponent to pay a third party from the member's account upon oral or written orders including orders received through the automated clearing house (ACH). There is no limit on the number of transactions that you may make in the following manner: (i) transfers to any loan account with Proponent; or (ii) transfers to another Proponent account or withdrawals (checks mailed directly to you) when such transfer or withdrawal is initiated in person, by mail, or at an ATM. If a transfer request would exceed the transfer limitations set forth above in any statement period, Proponent may refuse or reverse the transfer, and your account will be subject to suspension or closure by Proponent, and Proponent may impose a charge.

In addition to the limitations set forth below and in the "Withdrawal" and "Electronic Banking Service" sections, cash withdrawals may be limited due to the limited amount of currency available at a particular office.

**Time Accounts.** Any time deposit, term share, share certificate, or certificate account allowed by state law, whichever is offered by

Proponent, is subject to the terms of this Agreement and the specific terms and disclosures set forth on the Rate and Fee Schedule and Account Deposit Receipt for each account which is incorporated herein by reference.

#### **Overdrafts.**

**a. Overdraft Privilege and Liability.** From time to time, even the most responsible member may, inadvertently, cause his/her deposit account to be overdrawn. You may forget to record a check in your register or deposit a check that is returned by another institution. In our best efforts to help responsible members with these unavoidable circumstances, Proponent sometimes will honor an item or transaction that causes an overdraft to occur. This overdraft privilege is at the discretion of Proponent. We also generally limit this discretionary overdraft privilege service to only one account per household or business entity. If we honor such drafts we assess current applicable fees. Please refer to our rate and schedule for details. If on any day, the funds in your share draft account are not sufficient to cover drafts, fees or other items posted to your account, those amounts will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. However, funds for payments made using Propopnent's bill payment function must be available on the scheduled payment date. Proponent's determination of an insufficient account balance may be made at any time between presentation and Proponent's midnight deadline with only one review of the account required.

**b. Service Charge.** Proponent has no duty to notify you of an insufficient funds draft. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Rate and Fee Schedule.

If you do not have sufficient available funds on deposit to cover the amount of a check or transaction (such as an automatic payment or electronic fund transaction), we may return the check or reject the transaction with payment.

We may elect, however, in our sole discretion to create an overdraft by paying the check or permitting the transaction. Either way there will be a service charge for each item or transaction (such as checks, ATM withdrawal, automatic payment, other electronic fund transaction, etc.) (Please refer to our Rate and Fee Schedule.)

If Proponent pays a draft or imposes a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

**c. Credit Union May Discontinue Overdraft With or Without a Notice.** Except as otherwise agreed in writing, Proponent, by covering one or any overdraft, does not agree to cover overdrafts in the future. Our payment of any checks or allowance of transactions that create overdrafts in no way obligates us to continue the practice at a later time. We may discontinue covering overdrafts at any time with or without notice to you despite your account status.

**d. Overdraft Protection Plan.** If we have approved an overdraft protection plan for you, we will honor drafts drawn on insufficient funds in your account by transferring the necessary funds from another

account under this Agreement or a loan account, as you have directed, or as required under Proponent's overdraft protection policy.

The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from an account will be governed by this Agreement. Transfers from a loan account will be governed by the applicable loan agreement.

**e. Order of Payments.** In the normal course of business, we generally pay electronic transactions first and then checks from smallest to largest dollar amounts, per the credit unions policy. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our Member Privilege Paid Item fee. *Please refer to the Member Privilege Program Disclosure and Agreement for further details.*

**Postdated and Stale-dated Drafts.** You authorize us to accept and pay any draft without regard to the date of the draft even if the draft is presented for payment before its date, unless you notify Proponent of the postdating. Your notice will be effective only if Proponent receives the notice in time for Proponent to notify its employees and reasonably act upon the notice and you accurately describe the draft, including the number, date, and amount. You understand that the exact information is necessary for Proponent's computer programs to identify the draft. If you give Proponent an incorrect, incomplete, or untimely notice, Proponent will not be responsible for paying the draft before the date stated and Proponent may charge your account as of the date Proponent pays the draft. You may make an oral notice which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written notice will be effective for six (6) months. You also agree not to deposit checks, drafts, or other items before they are properly payable. Proponent is under no obligation to you to pay a check or draft drawn on your account which is presented more than six (6) months after its date. You agree that we may pay or reject a check which is presented to us for payment more than six months after its date (a "stale-dated" check), even if the presentation occurs after the expiration of a stop payment order. We normally do not examine the date on checks presented for payment. You agree that we are not required to identify stale-dated checks or to seek your permission to pay them. If you want to ensure that we do not pay a stale-dated item, you should place a stop payment order on the item. We may impose a fee for each order.

#### **Stop Payment Orders.**

**a. Stop Payment Request.** You may ask Proponent to place a stop payment on any draft you or any account owner draws upon your share draft account. You may request a stop payment by telephone, by mail, or in person. The stop payment will be effective if Proponent receives the order in time for Proponent to act upon the order and you state the number of the account, number of the draft, and its exact amount. You understand that the exact information is necessary for Proponent's computer program to identify the draft. If you give Proponent incorrect or incomplete information, Proponent will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in time for Proponent to act upon the order, Proponent will not be liable to you or to any other party for payment of the draft.

If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the draft to Proponent, and to assist Proponent in legal action taken against the person.

**b. Duration of Order.** You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order for ACH items does not expire and can only be revoked in writing. A written stop payment order for drafts will be effective for six (6) months. After six months, an order is no longer effective and must be renewed. The renewal order must be in written form. We may impose a fee for each subsequent order. Proponent is not obligated to notify you when a stop payment order expires.

**c. Liability.** Proponent may charge a fee for each draft for which a stop payment order is requested, as set forth on the Rate and Fee Schedule. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by Proponent. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including Proponent, who is a holder of the item despite the stop payment order. You agree to indemnify and hold Proponent harmless from all costs, including attorney's fees, damages or claims related to Proponent's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**Credit Union Liability.** If Proponent does not properly complete a transaction according to this Agreement, Proponent will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. Proponent will not be liable if: (a) through no fault of Proponent, your account does not contain enough money to make the transaction; (b) circumstances beyond Proponent's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim.

Proponent will not be liable for consequential damages, except liability for wrongful dishonor. Proponent's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area served by Proponent. You grant Proponent the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict between oral representations by you or Proponent employees and any written form will be resolved by reference to this Agreement and applicable written form.

**Credit Union Lien and Security Interest.** To the extent you owe Proponent money as a borrower, guarantor, endorser or otherwise, Proponent has a lien on any or all of the funds in any account in which you have an ownership interest, regardless of the source of the funds, unless prohibited by law. Proponent may apply these funds in any order to pay off your indebtedness. If Proponent chooses not to enforce its

lien, Proponent does not waive its right to enforce the lien at a later time. In addition, you grant Proponent a consensual security interest in your accounts and agree Proponent may use the funds from your accounts to pay any debt or amount now or hereafter owed Proponent, except for obligations secured by your residence, unless prohibited by applicable law. All accounts are non-assignable and non-transferable to third parties. Statutory Lien: If you are in default on a financial obligation owed to us, NCUA Rules and Regulation S701.39 gives us the right to apply the balance of shares and dividends in your account at the time of default to satisfy that obligation. Once you are in default, we may exercise this right without any further notice to you.

**Legal Process.** If your account becomes involved in legal proceedings, your use of it may be restricted. We will comply with any legal action presented against your account, such as a tax levy, attachment, garnishment, execution, restraining order, subpoena, warrant, or other legal process which we believe (correctly or otherwise) to be valid. We will notify you of such process by telephone, electronically or in writing at the last address or telephone number we have in our records for you unless we are prohibited by law or court order from doing so. If we are not fully reimbursed for our record research, photocopying and handling costs by the party which served the process, we may charge such costs to your account, in addition to our minimum legal process fee. You agree to indemnify, defend and hold us harmless from all actions, claims, liabilities, losses, costs, attorney's fees, and damages associated with our compliance with any process that we believe to be valid. Accounts opened with trust or fiduciary designations (e.g., "XYZ, Inc. - Client Trust Account") may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order. We will not pay interest on any funds we hold or set aside in response to legal process. You agree that we may honor legal process that is served personally, by mail, or by facsimile transmission at any of our offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at the office where your account or records are maintained. Proponent may refuse to pay out any money from your account until the dispute is resolved or may pay out funds according to the terms of the levy. Any legal process against your account is subject to Proponent's lien and security interest. If we incur any expenses relative to this account due to garnishment, levy, or attachment, we may charge the expense to your account or you will reimburse us for such expense. Charges to your account are based on the Rate and Fee Schedule that may change from time to time.

#### **Limitation on Time to Sue**

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 or any account service must be commenced within one year after the cause of action accrues.

**Account Information.** You can obtain information about your account by calling (800) 457-8058. The types of information provided, service hours, and other features may change from time to time without notice. Please note that balance information may not reflect recent transactions, and may include funds that are not available for immediate withdrawal. We assume no responsibility if our telephone information service



becomes unavailable for any reason. Upon your request, Proponent will inform you of the name and address of each credit reporting agency from which Proponent obtains a credit report in connection with your account. Proponent agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) It is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure is in compliance with the law, government agencies or court orders; (4) you give us your written permission.

## Notices

**a. Name or Address Changes.** You agree to notify us in writing or via Digital Banking of any change in your name, address, or the authorized signers on your account. Upon a change of address or change of name, Proponent is only required to attempt to communicate with you at the most recent address you have provided to Proponent. If Proponent attempts to locate you, Proponent may impose a service fee as set forth on the Rate and Fee Schedule. We may require a new membership application before any changes in ownership or authorized signer(s) becomes effective. We may close your account if you fail to notify us of any changes in account ownership, address and authorized signers in a timely manner. If the authorized persons on your account change, we may continue to honor items and instructions given earlier by any previously authorized person(s) until we receive specific notice from you in writing not to do so (Note: A new or updated membership application, by itself, does not constitute notice to terminate any pre-existing payment or transfer plan.) In some instances we may require you to close your account or provide us with stop payment orders in order to prevent transactions from occurring. There may be a delay in implementing a change in the authorized persons on our records, and you agree that we will be given a reasonable opportunity to make the changes necessary.

**b. Notice of Amendments/Changes in Account Terms.** Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. Proponent may change (add to, delete or alter) the terms of our agreement with you at any time by mailing or delivering a notice, a statement message or an amended agreement to any of you at the last address on file for you, your account, or the service in question. We may also post a statement message online for electronic banking members. Unless otherwise required by law and except as provided in writing at the time an account is opened, we may amend the agreement without prior notice (e.g., by posting the information in our offices or otherwise making it available to you). We will notify you of any changes in terms, rates, or fees as required by law. Proponent reserves the right to waive any term in this Agreement. Any such waiver shall not affect Proponent's right to enforce any right in the future.

**c. Effect of Notice.** Any written notice you give to Proponent is effective when it is actually received by Proponent. Any written notice Proponent gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

**Taxpayer Identification Numbers and Backup Withholding.** If your account is or becomes subject to backup withholding, Proponent is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of dividends, interest, and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding. If you fail to provide your TIN, Proponent may suspend the opening of your account or you may request a non-dividend or interest bearing account until a TIN is provided.

For most individual taxpayers, the TIN is their Social Security Number. We must receive your number even if you don't have to file a tax return. You must also certify that you are not subject to backup withholding. We may report dividend, interest and other payments to you to the Internal Revenue Service (IRS), along with your TIN. The IRS uses the TIN for identification purposes. We may withhold a portion of interest from each reportable payment made to you on any account if: (1) you fail to provide us with the required certified information, (2) the IRS instructs us to withhold, or (3) the IRS notifies us that you are subject to backup withholding. We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. To avoid possible erroneous backup withholding, an exempt payee should furnish its TIN and indicate on the signature card that it is exempt. A non-resident alien or foreign entity not subject to information reporting must certify its exempt status by completing an appropriate IRS form (e.g., W-8BEN). Nonresident aliens must certify their exempt status every three years (or earlier upon request) to avoid backup withholding. You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify withholding information. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

### How to Obtain a TIN

If you don't have a TIN or you do not know your number, apply for one on Form SS-5, Application for Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the IRS.

### Statements

**a. Contents.** If Proponent provides a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For share drafts or checking accounts, you understand and agree that, when paid, your original draft becomes property of Proponent and may not be returned to you, but copies may be retained by Proponent or payable through financial institution and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you. You also understand and agree that drafts or copies thereof are made available to you on the date the statement is mailed to you, even if the drafts do not accompany the statement.

**b. Examination.** You are responsible for examining each statement and reporting any irregularities to Proponent. Proponent will not be

responsible for any forged, altered or unauthorized items drawn on your account if: (1) you fail to notify Proponent within thirty-three (33) days of the mailing date of the earliest statement regarding any forgery, alteration or unauthorized signature on any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

**c. Notice to Credit Union.** You agree that Proponent's retention of drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying Proponent of any errors. The statement will be considered correct for all purposes and Proponent will not be liable for any payment made or charge to your account unless you notify Proponent in writing within the above time limit for notifying Proponent of any errors.

**d. Paper Statements.** If your (core) membership share falls below the required deposit amount, you forfeit your right to mailed statements.

**Inactive Accounts.** If your account falls below the minimum applicable balance, and you have not made a withdrawal from, deposit to, or transfer involving your account for more than the period specified in the Rate and Fee Schedule and Proponent has been unable to contact you by regular mail during that period, Proponent may classify your account as a dormant account. Unless prohibited by applicable law, Proponent may charge a service fee for continuing to process your dormant account as set forth on the Rate and Fee Schedule. Charges are not reimbursed for inactive accounts that are later reclassified as "active." Proponent will notify you, as required by law, at your last known address prior to imposing any fee. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, Proponent reserves the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and Proponent has had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, Proponent has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**Special Account Instruction.** You may request Proponent to facilitate certain trust, will, or court-ordered account arrangements. However, because Proponent does not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask Proponent to follow any instructions that Proponent believes might expose it to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, Proponent may refuse to follow your instructions or may require you to indemnify Proponent or post a bond or other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Change form and accepted by Proponent.

**Termination of Account.** You may terminate any single party account at any time by notifying Proponent in writing. Proponent reserves the

right to require the consent of all multiple party account owners for termination of a multiple party account. Proponent is not responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if Proponent pays an item after termination, you agree to reimburse Proponent for the payment.

**Termination of Membership.** You may terminate your membership at Proponent after giving notice of your intent to withdraw from membership.

**Death of Account Owner.** Proponent may continue to honor all transfers, withdrawals, deposits and other transactions on the account until Proponent is notified of member's death. Once Proponent is notified of a member's death, Proponent may pay drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless Proponent receives instructions from any person claiming an interest in the account to stop payment on the drafts or other items. You agree Proponent can require that anyone who claims funds in your account after your death indemnify Proponent for any losses resulting from honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

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

**Enforcement.** You agree to be liable to Proponent for any loss, cost or expense that Proponent incurs as a result of your failure to follow this Agreement. You authorize Proponent to deduct any such loss, costs or expenses from your account without prior notice to you. In the event Proponent brings a legal action to enforce the Agreement or collect any amount due under this Agreement, Proponent shall be entitled, subject to applicable law, to payment of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

**Governing Law.** This Agreement is governed by the Bylaws of Proponent, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which Proponent's main office is located, 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 Proponent is located.

## Substitute Check Policy Disclosure

### Important Substitute Check information for Our Members

Please read this Substitute Check Policy Disclosure carefully since it is intended to give you important information about how Proponent will send some or all of the checks that you receive with your account statement. The checks may look different than the checks you wrote. To make check processing easier, federal law permits financial institutions to replace original checks

with "substitute checks". This notice describes substitute checks and the rights that you will have when you receive substitute checks.

This substitute check policy disclosure applies to you (or to your legal representative) only if you are an individual who obtains or has obtained a financial product or service from Proponent that is to be used primarily for personal, family or household purposes.

### Substitute Check

"Substitute checks" are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law(s) with respect to those transactions.

### Rights Regarding Substitute Checks

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500.00 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim unless your account does not fall under one of our safeguard exceptions. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### Claim for a Refund

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact the office/branch of your account. You may also contact us at (800) 457-8058 or by writing to us at 536 Washington Ave. Nutley, NJ 07110. You must contact us within 40 calendar days of the date that we mailed the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- > A description of how you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- > An estimate of the amount of your loss;

- > The reason why producing the original check or a better copy is necessary to determine the validity of the charge; and
- > A copy of the substitute check (and/or) the following information to help us identify the substitute check: (identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check).

### Fees

Our fees and charges, as set forth in Proponent's Rate and Fee Schedule describe the most frequently encountered fees associated with our accounts and services. Some services are negotiated separately and may be subject to other written agreements with us. Information on fees for services not covered by the schedule is available upon request. Certain fees may also change without specific notice to you. Account owners must promptly pay the fees and charges associated with their accounts and services, and are jointly and severally liable for such fees. We may deduct account fees automatically from your accounts.

## Electronic Banking Services

### General Information

If we give you a debit card or other device or code to access your account, you agree to use the card or code only in the manner and for the purposes described in the applicable agreement. You agree not to disclose or otherwise make your card(s) or other access device available to others without our prior written consent. Your card is the property of Proponent and must be returned to us upon request.

You acknowledge that the Personal Identification Number or PIN which you use with your debit card is your signature, identifies the bearer of the card to the network ATM and validates the directions given just as your actual signature and other proof identify and authenticate your directions to a teller. You also acknowledge that your PIN is an identification code that is personal and confidential and that the use of the PIN with your debit card is a security method by which the security of your account(s) is maintained. You agree to take all reasonable precautions that no one else learns your PIN.

- A. You agree not to tell or disclose your PIN to any other person.
- B. You agree not to write your PIN on your Proponent debit card.
- C. You agree not to keep a written record of your PIN near the Proponent debit card issued to you. This means that you agree not to keep your PIN in the same wallet, cardholder envelope or any place where you keep your Proponent debit card.

If you attempt to use the card or code in any other manner or for any other purpose, we may reject the transaction, or in our discretion we may complete it without incurring any obligation to honor the same type of transaction on future occasions. We may decide not to issue a card or PIN to any member, and we may also terminate a card or PIN without cause or notice.

You agree to contact Proponent at once by phoning and following up in writing if your debit card or PIN is lost or stolen or if money is missing from your account(s). You also agree that if your monthly statement shows transactions you did not make and do not contact Proponent

within sixty (60) days after the statement was mailed, you may not get back any money lost after that time. You agree that if you give your debit card and PIN to someone else to use, you are authorizing them to act on your behalf and will be responsible for any use of the card(s) by them.

### Card to Personal Accounts

We offer debit cards to most members who have a personal checking account with us. Your card, along with your personal identification number, or "PIN", enables you to use our ATM services. If your card is linked to a checking account, you may also use your card as a debit card to make point-of-sale purchases. For information about these services, please see the agreement and disclosure you received with your card.

### Digital Banking and Bill Payment/Telephone Banking Services

You may use your computer and telephone to obtain account information and make certain transfers. When you subscribe to these services, we provide you with the agreement and disclosures for the service.

### Telephone Funds Transfers

If we have entered into a separate written agreement with you concerning telephone fund transfers, then the terms of that agreement will govern such transfers. Otherwise, the following provisions apply. We may permit you to transfer funds from one of your Proponent accounts to another of your Proponent accounts through one of our employees. However, we may also refuse to affect any transfer request for any reason(s) in our sole discretion, without any liability to you or any other party. Transfers will appear on the periodic statements for the affected accounts. We do not send separate confirmations. In accepting such transfer requests, we may use security procedures which we believe are reasonably designed to identify the caller as an owner, authorized signer, or other person authorized to transact business on the account from which the transfer is to be made. You agree that we will have no liability to you for any allegedly unauthorized transfer, and that you will indemnify us and hold us harmless against any claims by or third parties, in the event that we effect a transfer after identifying the caller using the above described procedures.

### Preauthorized/Automatic Transfers

This Electronic Banking Services section applies to pre-authorized and automatic transfers governed by the Electronic Fund Transfer Act. This includes pre-authorized electronic fund transfers to or from a consumer account by means of a computer or magnetic tape, including pre-authorized electronic fund transfers made to your account from a third party (e.g., Social Security, a pension fund or your employer) or from your account to a third party (e.g., checks converted to automated clearing house transactions, recurring mortgage or insurance payments through the ACH). A "consumer account" is an account established primarily for personal, family, or household purposes only.

Pre-authorized transfers do not include: (a) transactions initiated by check, draft or similar paper instrument, (b) transfers to or from business or other non-personal accounts, (c) individual transfers we initiate under an agreement with you, but without your specific request (e.g., automatic savings and automatic loan payments to us from your account), or (d) transfers initiated by telephone without a written

agreement with us.

Please note: If federal recurring or other electronic payments are made into your account, the payments may be affected by a change in account status or transfer (e.g., to another office). If you plan to transfer your account or change its status, please speak with us in advance about the impact the change may have on your electronic fund transfer services.

### Electronic Check Conversion

You may authorize a merchant or other payee to make a one-time electronic payment from your account using information from your check to: (1) pay for purchases; and (2) pay bills.

### ATM Transactions

You may access your account(s) by ATM using your debit card and Personal Identification Number to:

- > Get cash withdrawals from your checking and/or savings account(s) that are linked to the card, not to exceed the maximum limit set per day, generally \$500;
- > Get information about the account balance of your checking and/or savings account(s);
- > Deposit funds into your checking or savings account(s) using only Proponent proprietary ATMs; and/or
- > Transfer funds between two or more accounts that you own that are linked to the card.

### ATM Fees and Charges

We do not charge you for using your Proponent debit card at ATMs operated by us.

We may charge you a fee for using your Proponent debit card at an ATM operated by another financial institution, as disclosed in the Rate and Fee Schedule.

You may be charged by another financial institution or network for using your Proponent ATM/Visa Debit card at their machine(s). Their fee(s) can be instantly taken out of the Proponent account linked to the debit card you used.

### ATM Safety

You agree to exercise discretion when using ATMs.

If there are any suspicious circumstances, do not use the ATM. If you notice anything suspicious while transacting business at the ATM, cancel the transaction, pocket your card and leave.

Be careful when using the ATM and be aware of the surroundings, especially at night or in isolated areas. Park near the ATM in a welllighted area. At night, have someone accompany you whenever possible. Do not approach a dark ATM.

Do not accept assistance from anyone while using the ATM.

Don't display your cash; pocket it and count it later in the safety of your office or home.

Be sure to save your transaction slips. Check them against your statements regularly.

Prepare deposits at home to minimize your time at the ATM.

Make sure you safeguard your PIN – do not write it on your card or carry it in your wallet or purse.

Always secure your card just like you would your cash, checks, and credit cards.

Report all crimes to the ATM operator and local law enforcement officials immediately. We do not guarantee your safety while using the ATM.

### Debit Card Transactions

You may access your checking account(s) to purchase goods and pay for services at most merchants displaying the VISA logo. We are not responsible if a merchant or financial institution does not accept your card. Unless otherwise provided, you may not exceed \$500 in ATM withdrawal transactions and/or payments per day, or \$2,000 per day for Point of Sale transactions.

Some of these services may not be available at all terminals. Please also see Limitations on Frequency of Transfers section regarding limitations that apply to ATM and debit card transfers.

### Foreign Debit Card Transactions

Payments must be made in US dollars for transactions you conduct in any other country. The merchant bank, foreign financial institution or card association will convert the foreign transaction into US dollars (under the applicable Exchange rules of Visa International). Since the conversion date may be different from the transaction date and the posting date, the Exchange rate may be different from the rates in effect on those dates. You agree to pay the converted dollar amount to us, as well as the Visa International Service Assessment (ISA) charges that are imposed. The exchange rate between the transaction currency and the billing currency used for processing international transactions is:

A rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the governmentmandated rate in effect for the applicable central processing date.

### Transaction Limitations – Money Market and Savings Accounts

Please see “Transaction Limitations” (page 6) for the transaction limitations applicable to these accounts. Additional limitations may be imposed at terminals that are not owned or operated by us. When you use your card at certain merchant locations, a hold may be placed on your account by an amount equal to or in excess of your ultimate transaction. The funds held will not be available to you for any other purpose. Any excess will be released later when the transaction is settled through the system.

### Applying for EFT Services

Any authorized signer on an account may apply for electronic fund transfer services on behalf of all of you. Once an electronic fund transfer service is established, any authorized signer on your account may act alone in conducting electronic fund transactions, regardless of the number of required signers indicated on the account application.

### Record of Your Transaction

**a. Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your account(s) using one of our ATM or point-of-sale terminals.

**b. Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call your branch to find out whether or not the deposit has been made. You may call us at (800) 457-8058.

**Account Statements.** You will get a monthly account statement from us for your checking account(s). You will get a monthly account statement from us for your savings account(s) if there are transfers in a particular month. In any case you will get a statement at least quarterly.

**c. Preauthorized Transfers.** If you have arranged in advance to make regular payments out of your account and they may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.

### Our Liability for Failing to Make Transfers

If we do not complete an electronic fund transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages.

There are some exceptions. We will not be liable, for example, if:

Through no fault of ours, you do not have enough available funds in your account to make the transfer;

The transfer would exceed any permitted overdraft line you have with us;

Circumstances beyond our control (such as fire, flood, water damage, power failure, strike, labor dispute, computer breakdown, rolling blackout, telephone line disruption, or a natural disaster) prevent or delay the transfer despite reasonable precautions taken by us;

The funds in your account are subject to legal process, an uncollected funds hold, or are otherwise not available for withdrawal;

The system, ATM, or terminal was not working properly and you knew about the problem when you started the transaction;

Your card is damaged;

The information supplied by you or a third party is incorrect, incomplete, ambiguous, or untimely;

The fund transfers completed after 3:00 PM (EST) on a business day, or completed any time on Saturday, Sunday, or banking holiday.

There may be other exceptions stated in our agreement with you.

### Your Liability for Unauthorized Electronic Fund Transfers

Tell us AT ONCE if you believe your card(s) and/or PIN has been lost or stolen; someone has transferred or may transfer money from your account without your permission; or an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft

line of credit). If you tell us within two business days, you can lose no more than \$50 if someone used your card without your permission. If you do not tell us within two business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you can lose as much as \$500. Unless we determine that you were grossly negligent or fraudulent in the handling of your account or card, you will not be liable for the \$50 or \$500 amounts described above for transactions conducted with a Visa card. If you are a debit card holder, (I) the \$500 liability provision does not apply to debit cards that may be used to initiate electronic funds transfers without a PIN; and (II) if a good reason (such as a long trip, a hospital stay, or the illness of a family member) kept you from telling us about an unauthorized debit card transaction, we will extend the time periods for reporting. If your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you. You may not get back any money you lost after the 60 days if we can prove that you could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip, a hospital stay or the illness of a family member) kept you from telling us, we will extend the time period.

#### **How to Stop Preauthorized Transfers from Your Account**

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. [Note: you may not stop Debit card transactions.] Write to us at 536 Washington Ave Nutley, NJ. 07110 or call us at (800) 457-8058. You may also contact one of our branches near you. We must receive your request at least three business days before the payment is scheduled to be made. Note: If you fail to give us your request at least three business days prior to a transfer, we may attempt, at our sole discretion, to stop the payment. We assume no responsibility for our failure or refusal to do so, however, even if we accept the request for processing. Your request should specify the exact amount (dollars and cents) of the transfer you want to stop, the date of the transfer, and the identity of the payee. Unless you tell us that all future transfers to a specific recipient are to be stopped, we will treat your stop payment order as a request concerning the one transfer only. You should also notify the designated payee in writing that you are stopping payment, as we generally will not do so. If you order us to stop one of these payments at least three business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages. We may impose a fee on a stop payment order.

#### **Lost or Stolen PIN**

If you believe your Personal Identification Number has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us at the number, write us at the address described in the preceding section. When you give someone your card or Personal Identification Number, you are authorizing that person to use your card and you are responsible for all transactions that person performs with your card or PIN. All transactions that person performs, even those you did not intend or want, are authorized transactions. You will be liable for all authorized transactions.

#### **In Case of Errors or Questions about Your Electronic Transfers**

Call or write to us at the telephone number/address described above as soon as you can if you think your statement or receipt is wrong or if you need more information about an electronic transaction. You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permissions. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

If you notify us orally, we may require that you send us your complaint or question in writing within 10 business days. We will tell you the result of our investigation within 10 business days (20 business days if the transfer involved a new account) after we hear from you, and we will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or was not initiated within a state) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if your transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time that it takes us to complete our investigation. Your account is considered a new account for the first 30 days after the first deposit is made. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

#### **Fees for Electronic Fund Transfers**

Except as indicated elsewhere, we do not charge for electronic funds transfers.

#### **Business Days.**

Our business days for electronic funds transfers are Monday through Friday, excluding federal holidays.

#### **Release of Account Information**

We may release information regarding your account and the transactions you perform in accordance with the Privacy Policy set forth above.

#### **Change in Terms/Termination of Service**

We may add, delete or amend the terms or terminate your use of our electronic fund transfer services at any time, with or without cause. We may immediately terminate your electronic fund transfer service if; you breach this or any other agreement with us; we have reason to believe that there has been or may be an unauthorized use of your account; there are conflicting claims to the funds in your account; or any of your requests that we do so.

### Automated Teller Machine (ATM) and Point-of-Sale Card

If you are approved for an ATM/Visa Debit card, the agreement applicable to that service will accompany your card(s). You agree to be bound by its terms and conditions unless you promptly cut the card(s) in half and notify us in writing that you do not agree to the terms. Your use of the card(s) will be additional evidence of your agreement to the terms.

### Proponent Federal Credit Union Deposited Funds Availability Schedule

Our funds availability schedule is designed to make funds available from your deposits as quickly as possible. The availability of funds may be delayed and the delay depends on the type of cash or non-cash deposit you make. If the availability of funds is delayed, you may not withdraw the funds and we will not use the funds to pay checks that you have written. The checks must be payable to the depositor and must be endorsed properly.

Please take the time to review this schedule. By understanding how the availability of cash and non-cash deposits is determined, it will be easier for you to manage your account and realize the benefits of banking with Proponent.

### Determining the Availability of a Deposit

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturday, Sunday and federal holidays. Generally, if you make a deposit at a branch during normal business hours that we are open, we will consider that day to be the day of your deposit (Branches business hours may vary depending on location. Please contact the specific branch for its business hours.) Deposits made through our ATMs must be done so before 2:00 p.m. Monday through Friday, on a business day that we are open to be considered that day to be the day of your deposit. However, if you make a deposit after these times, or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

The length of the delay varies depending on the type of deposit as explained below.

### Next Day Availability

Funds from the following deposits (deposited in person to a Proponent employee and into payee's account) are available the 1<sup>st</sup> business day after the day of deposit:

- > U.S. Treasury checks that are payable to you.
- > Automated Clearinghouse (ACH) and Wire transfers, including preauthorized credits, such as Social Security benefits and electronic payroll payments (ACH is available same day under NACHA rules).
- > Checks drawn on Proponent
- > Federal, state and local government checks that are payable to you.
- > Cashiers', certified, and tellers' checks that are payable to you.
- > Federal Reserve Bank checks, Federal Home Loan Bank checks, and U.S. Postal Service Money Orders, if these items are payable to you.

Please note the emphasis on U.S. Postal Service Money Order as these are the only money orders that are considered Next Day items. If the

money order is not a U.S. Postal Service Money Order, then the funds will be available the second business day after the day of your deposit.

### Longer Delays May Apply

In some cases, we will not make all of the funds you deposit available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of the aggregate deposits, however, will be available on the first business day. 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. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- > New Account (opened for 30 days or less)
- > We believe a check you deposit will not be paid;
- > You deposit checks totaling more than \$5,525 on any one day;
- > You redeposit a check that has been returned unpaid;
- > You have overdrawn your account repeatedly in the last six months; and/or
- > There is an emergency, such as, but not limited to, failure of computer or communications equipment.

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

### Special Rules for New Accounts

If you are a new member, the following special rules may 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 \$5,525 of a day's total deposits of cashier's, certified, teller's, travelers, 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 \$5,525 will be available on the seventh 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 \$5,525 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 seventh business day after the day of your deposit.

### Holds on New Accounts Other Funds

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

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

**Cash-Withdrawal Limitation**

We place certain limitations on withdrawals in cash. In general, the first \$450 of the aggregate deposit is available for withdrawal in cash on the first business day after the day of deposit. Any remaining funds will be available for withdrawal in cash on the following business day.

**Check Holds** The first \$225 from a deposit of checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of \$1,700 on Monday, \$225 of the deposit is available on Tuesday. The remaining \$1,475 is available on Wednesday.

**Third Party Check**

If you are NOT one of the payees on the face of the check, the Credit Union may refuse the deposit or place the following hold as appropriate and provide you with a case-by-case hold notice:

\$225 NEXT DAY availability then:

- Proponent check..... NEXT DAY Item
- Treasury check..... 2-day hold
- U.S. Postal Service Money Order..... 2-day hold
- Cashier's check, Certified check..... 2-day hold
- Tellers check, Federal Reserve Bank Federal Reserve Home Loan Bank check, Federal, State or local Government check.....2-day hold

**Refusal of Deposit**

We reserve the right not to accept deposits. In some circumstances, items unacceptable for deposit, such as, but not limited to, a mutilated check, may be processed as collection items.

**Deposits Not Made in Person**

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will be processed as normal deposits. Funds will not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

Deposits made at our ATMs, Night Deposit, by mail or through Digital Banking will be processed based on the following schedule. \$225 next day availability, then:

- U.S. Treasury check..... 2-day hold
- Proponent check..... 2-day hold

- U.S. Postal Service Money Order.....2-day (check) hold
- Cashier's check, Certified check, Tellers check, Federal Reserve Bank check, Federal Home Loan Bank check, State or local Government check ..... 2-day hold

**Checks deposited to lines of credit**

Instant credit availability will be delayed for 5 days if we have sufficient reason to believe the check will not be honored.

**Hold on Other Funds (Check Cashing)**

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time the funds from the check we cashed would have been available if you had deposited it. For example, if we cash a \$500 check for you, \$500 of funds already in your account will not be available until the second business day after the day we cashed the check.

**Holds on Other Funds (Other Accounts)**

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

**Questions or Comments**

If you have any questions or comments, you can contact us at:

**Proponent**  
**536 Washington Ave**  
**Nutley, NJ 07110**  
**(800) 457-8058**