



## **NEW MEMBER DISCLOSURE**

- **GENERAL ACCOUNT TERMS**
- **TRUTH-IN-SAVINGS DISCLOSURE**
- **ELECTRONIC FUNDS TRANSFER DISCLOSURE**
- **FUNDS AVAILABILITY: YOUR AVAILABILITY TO WITHDRAW FUNDS**
- **PRIVACY STATEMENT**
- **ARBITRATION AGREEMENT AND WAIVER OF CLASS ACTION**

*This document contains important disclosure information about your accounts and sets forth your rights and obligations as a user of L&N Federal Credit Union services. Terms stated in this document may change at any time.*

**Louisville Metro Area • Southern Indiana • Southeast Kentucky • Northern Kentucky**



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**GENERAL ACCOUNT TERMS**

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## SHARE/SAVINGS AND CHECKING ACCOUNT RULES AND REGULATIONS

**DEAR CREDIT UNION MEMBERS:** By signing a Membership Card, depositing at least a par value of one share in a Regular Share Account and receiving approval from a Membership officer, you have become a member of L & N Federal Credit Union ("Credit Union") with all rights and privileges therein, including the right to vote at the annual meeting of the membership. Being a Member in good standing and maintaining Par Value in a Regular Share Account entitles you to all Services, including loans, the Credit Union offers

By signing and selecting the accounts you desire on the Membership Card or any agreement cards (hereinafter individually or collectively referred to as "Signature Card"), you have opened the savings and checking accounts designated by the account number on the Signature Card and you have agreed to be bound by these rules and regulations, and by our by-laws, amendments to the by-laws, and federal and state laws which govern the services offered by us. Unless it would be inconsistent to do so, words and phrases used in this disclosure should be construed to state the singular includes the plural and the plural includes the singular. As used in this disclosure, the words "we", "us", "our", "Credit Union" and "L&NFCU" mean L & N Federal Credit Union and the words "you" and "your" mean the member(s) who own the account.

**BOUND BY THESE RULES** Any reference in these rules to an account will relate only to the accounts opened on a Signature Card by you. Enclosed with this disclosure is a separate disclosure for each account opened by you and a Fee Schedule. Please read this disclosure and the Fee Schedule carefully; continued use of your account after receipt of these means you agree to the terms of the account and the fees and charges that may be imposed. We will also be bound by these rules but reserve the right to change or add to them at any time, upon giving reasonable notice to you. Such notice may consist of a notice of the changes being posted in our offices for a reasonable period of time, enclosing a notice on or in the statement of account, mailing a notice in a special mailing, or, if you have agreed, providing you electronic notification. Notice to any one of you is notice to all of you who are legal owners of the account.

**THIS AGREEMENT IS SUBJECT TO ARBITRATION UNDER THE LAWS AS STATED IN THE SECTION, HEREIN, TITLED "ARBITRATION AGREEMENT AND WAIVER OF CLASS ACTION" AND THE FEDERAL ARBITRATION ACT §9 USC 1 ET SEQ. BEGINNING ON PAGE 22.**

**CREDIT REPORTS** By your signature you have authorized us to check your financial history. You agree that we may pull a credit report to open an account or if you request a loan or loan increase. You understand and agree we have the ability to check your credit report in relation to any update, increase, renewal, extension, or collection on your account(s) or loan(s). We may report information about your accounts and loans to credit bureaus. Late payments, missed payments, or other defaults on your accounts or loans may be reflected on your credit report.

**MEMBERSHIP** You are eligible to join the Credit Union provided you live, work, worship, attend school or belong to any legal entity in Bullitt, Hardin, Henry, Jefferson, Knox, Larue, Laurel, Meade, Nelson, Oldham, Pulaski, Rockcastle, Shelby, Spencer, Trimble, and Whitley counties in Kentucky and Clark, Floyd, Harrison, Scott and Washington counties in Indiana. You are also eligible if you live, work, worship, attend school or belong to any legal entity in certain prescribed areas of Boone, Campbell, Kenton, Gallatin, Grant, and Pendleton counties in Northern Kentucky, Dearborn and Ohio counties in Indiana and Hamilton County in Ohio. These areas make up the Credit Union's primary membership base.

**USA PATRIOT ACT – Notice** Important Information About Procedures for Opening a New Account: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person (businesses and individuals) who open any financial transaction account(s) including deposits, loans and safe deposit boxes. The credit union requires proof of taxpayer identification number upon account opening; ex; SS#, ITIN.

**Family Members** You are eligible to join the Credit Union provided you are related to a member by immediate family. The immediate family is defined as spouse, child, sibling, parent, grandparent, grandchild, step parents, step children, step-siblings and adoptive relationships. Household unit eligibility is defined as persons living in the same residence maintaining a single economic unit.

### **Account Ownership Options**

#### **Single Ownership**

The primary person on the account must be a member. You can set your account up as a single ownership, where the account belongs only to you; no one else has access to the funds, a Legal Ownership, where the account has two or more owners, each owner with the right to access the account individually; or you can designate a Payable on Death beneficiary which will detail who is entitled to the funds in the account upon your death. A legal owner does not have to be a member. You may retain your membership for life, providing your membership is active and in accordance with the by-laws of the Credit Union.

#### **Legal Ownership**

If you designate a Legal Owner on your account, we are hereby authorized to recognize any of the signatures subscribed on the Membership Application in the payment of funds or the transaction of any business for this account. The legal owners of this account hereby agree with each other and with the credit union that all sums now paid in on shares, or heretofore or hereafter paid in on shares by any or all of said legal owners are and shall be owned by them jointly, with full rights of survivorship and be subject to the withdrawal or receipt of any of them, and payment to any of them or the survivor or survivors shall be valid and will discharge said credit union from any liability of such payment. The legal owners also agree to the terms and conditions of the account as established by the credit union from time to time. Any or all of said legal owners might pledge all or any part of the shares in this account as collateral security to a loan or loans from the credit union. The right of authority of the credit union under this agreement will not be changed or terminated by said owners, or any of them except by written notice to said credit union, which will not affect transactions heretofore made. Accounts with a Legal Owner are held with full rights of survivorship, which means, the named legal owner on the account is entitled to all funds in the account upon the death of the primary owner. Legal owners on a membership are not entitled to vote at the annual meeting of the membership.

#### **Payable on Death Beneficiary**

If you elect to designate a Payable on Death Beneficiary, you are naming the individual to whom the funds are payable upon your death and upon the death of all named legal owners on the account. Payable on Death Beneficiaries have no access to the account during the lifetime of the owner. This agreement and all payments hereunder will be subject to the Credit Union's policies with respect to paying withdrawals, setoffs, and other charges against the account after death.

This authority will remain in full force and effect until the Credit Union has received written notification from any of the Legal Owners of its termination. Upon the death of one owner, any surviving owner may change this agreement at any time, but this right to change shall not extend to any P.O.D. payee, as a P.O.D. payee is not considered an owner of the account.

P.O.D. beneficiaries can be an individual, trust, charity and a non-profit organization. A P.O.D. designation is not available for any custodian account. All P.O.D. payees will be the primary beneficiaries; no contingent beneficiaries will be accepted. The proceeds of this account, upon the death of the last owner, shall be divided equally between the P.O.D. payees so named. Any payment made by the Credit Union pursuant to the P.O.D. designation prior to the receipt of a notice of an adverse claim or a restraining order shall be a complete discharge of the Credit Union's obligation and shall constitute a release of the Credit Union from any and all claims of any P.O. D. payee as to the amount paid.

**TYPES OF ACCOUNTS** In order to maintain your membership in our Credit Union, you must maintain a Regular Share/Savings Account in your own name. You also must maintain a minimum aggregate balance of at least five

dollars in any or all of your Savings or Certificate Accounts. Failure to do so will terminate your membership in the Credit Union. Your Share/Savings Account will be maintained as any other savings account. Being a Member in good standing and maintaining Par Value in a Regular Share Account entitles you to all Services, including loans, the Credit Union offers.

**Savings (Share) Accounts** You must maintain at least a par value of one share in this type of account or it will be closed. For Regular Share/Savings accounts, the par value is \$5.00. Savings accounts are not transferable except on the books of the Credit Union. Special savings accounts include any account designated by you, such as Vacation Club or Christmas Club. The par value for this type of account is \$5.00.

**Donation Savings Accounts** The Credit Union will establish an account to accept donations for the benefit of a named beneficiary(s). This type of account will not have ATM/Debit card access, checks will not be issued and the account will only be allowed to remain open for 90 days. At the end of the 90 -day period, if a balance remains, a check will be issued to the named beneficiary(s).

**Minor Savings Accounts** We will establish accounts for minor children upon request of a parent, grandparent or legal guardian. Access to these accounts will not be restricted due to the age of the minor child and we will not require an adult signature for withdrawals or deposits.

**Checking Accounts** These are our transaction accounts and they may be accessed by Credit Union approved checks, electronic funds transfers, or in person. The Credit Union offers 5 types of checking accounts. which permit an average monthly number of payments, not to exceed 50 per month, to third parties. Minimum balance requirements may apply to some accounts in order to avoid the incurrence of a service charge or to earn dividends. Temporary checks will only be issued after an order has been received for checks. Counter checks will be used to obtain the account # and will then be destroyed. A voided check may be given to a new member to start direct deposit only.

The credit union is authorized to pay checks, Point of Sale (POS), ACH, or other transactions signed or authorized by you or any of you, (if more than one person has signed the account agreement) and to charge the payments against the Checking account. In the event the credit union receives a request to pay a transaction and the available balance in the checking account is not sufficient to cover that transaction, the transaction will be paid with a transfer from your share account (not to exceed 6 transfers per month). It is agreed that:

- A. Postdated and Stale-Dated Drafts. We may pay any draft without regard to its date unless you notify us in writing of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice and must accurately describe the draft, including the exact number, date and amount. You understand that the exact information is necessary for the Credit Union's computer system to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. You may make an oral notice which lapses in fourteen (14) calendar days unless confirmed in writing from time to time. You agree not to deposit checks, drafts or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account which is presented more than six (6) months past its date; however, we have no obligation or liability to you or any other party to the instrument or in the chain of the collection process if we do so.
- B. The credit union is under no obligation to pay a check which exceeds the available balance in the Checking Account, however, the credit union is obligated to pay all POS transactions which have been authorized based on a positive available balance. You agree the credit union may, however pay transactions that exceed the available balance and charge the amount of the resulting overdraft plus a fee against any other share account from which the person who authorized the transaction is entitled to withdraw shares. In the event that any of you conducts a transaction which would exceed the available balance in this checking account and if at that time any of you are eligible to receive advances from this credit union, such transactions shall be deemed to be a request to the credit union to prepare an application for an advance

under such loan account in the amount needed to cover the transaction. If the application is approved, the credit union will advance to this checking account;

- C. Except for negligence, the credit union is not liable for any action it takes regarding the payment or nonpayment of a check or other transactions;
- D. Non-cash payments received on shares in the Checking account will be credited subject to final payment;
- E. The Checking Account shall be subject to fees and charges in accordance with the Fee Schedule adopted by the credit union from time to time;
- F. The use of the Checking Account is subject to such other terms, conditions and requirements as the credit union may establish from time to time; and
- G. If signed by more than one person, this agreement is subject to the additional terms and conditions of any legal share account agreement that applies to a share account in your legal names; or if there is no such agreement, this agreement is subject to the additional terms and conditions printed above.

**Understanding Your Account Balances.** Your account has two kinds of balances: the balance and the available balance. **We use the available balance to determine whether a transaction will overdraw your account, be returned or declined, and for determining when an overdraft, Courtesy Pay, or NSF fee will be imposed.**

Your balance reflects transactions that have posted to your account but not transactions that have been authorized and are pending. Your available balance reflects transactions minus any holds on your account, such as debit card transactions that have been authorized but are pending final settlement or holds for checks you have deposited. You are responsible for ensuring your available balance is sufficient to cover all of your transactions. You can review your balance and available balance when you review your account online, at an ATM, by phone, by mobile application, or at a branch.

**Overdraft(s) and Overdraft Protection Plan Agreement.** An overdraft occurs when you make any transaction that exceeds the available balance in the account you access by check, electronically, or otherwise. You agree not to cause an overdraft in any account with us. However, if for any reason we pay any transaction or impose a fee that creates an overdraft, you agree to pay us promptly the amount of the overdraft or fee. The Credit Union has no obligation to notify you of any check or charge that exceeds the available balance in your account(s). Further, if we cover one or more overdrafts, we shall not have any obligation to continue to do so.

An overdrawn item will be processed in the following order:

- 1st from overdraft protection if set up from another account with available funds;
- 2nd from a line of credit if one exists and there are available funds;
- 3rd from Courtesy Pay if service is in force and there are available funds; and
- 4th we will return, decline, or reject the transaction as an insufficient fund (NSF) item and charge you an NSF fee each time such action occurs on an item or transaction (even if this means multiple NSF fees occur if an item or transaction is submitted or processed multiple times).

Courtesy Pay is a service that allows the Credit Union to pay a check written, ATM withdrawal, preauthorized debit (ACH), point of sale CheckCard, or other transaction on your account (only on one account per member) even if the transaction results in an overdraft by exceeding the available balance in the account. If Courtesy Pay is used to cover an overdrawn transaction, then you agree to reimburse the overdraft within 30 days. You may not overdraft the account more than \$800 (exclusive of service fees), and you will be assessed the same fee for each item as would be assessed for an NSF item. To qualify for Courtesy Pay, you must:

- A. Be at least 18 years of age and have a checking account in good standing for at least 60 days. A checking account is considered to be in "good standing" if it:
  - Receives regular deposits to cover transactions
  - Achieves a positive balance at least once every 30 days or less
  - Has no judicial order present which affects access to our use of it
  - Has a valid address
- B. Have a positive checking balance

- C. Have no charged-off accounts or overdrawn accounts
- D. Have no delinquent loan (that is, more than 15 days past due) or charged-off loan

The Credit Union's Courtesy Pay Program is a non-contractual courtesy and is discretionary. It is not an obligation of the Credit Union and the Credit Union may refuse to provide this service on any checking account at any time and from time to time. The accountholder does not have a contractual right to Courtesy Pay and Courtesy Pay is not guaranteed by the Courtesy Pay Program.

You agree we may use subsequent deposits, including direct deposits of social security or other government benefits, to cover overdrafts and overdraft fees. If you receive a direct deposit of social security or other government benefits into your account and you do not want us to pay your overdrafts with those funds, you must notify us of your desire to opt out.

**Opt-in** is required to receive coverage on standard check card transactions. The Opt-in decision may be changed at any time. This service does not cost you anything unless the service/privilege is used by initiating a check, electronic funds transfer or other payment or withdrawal request that exceeds the available balance in the account.

**Opt Out** An account may be removed from Courtesy Pay by you if you no longer wish to have this protection.

An account may be removed from Courtesy Pay if the account is closed for abuse. In this case, you will be placed in second chance checking which has a monthly fee as set forth in the Fee Schedule. A separate TIS disclosure will be provided at the time you are placed in second chance checking.

**NSF Fees.** You agree that we may charge an insufficient funds (NSF) fee for returning items and transactions presented against your account that would exceed your available balance. You further agree that we may charge an NSF fee each time an item or transaction is presented for payment even if the same item or transaction is presented for payment multiple times. For example, if you wrote a check to a merchant who submitted the payment to us and we returned the item (resulting in an NSF fee), the merchant may re-present the check for payment again (or submit the item as an ACH). If the second and any subsequent presentations or submissions are returned unpaid, we may charge an NSF fee for each time we return the item. You understand this means you could be charged multiple NSF fees for one check that you wrote as that check (or ACH created from the check) could be presented and returned more than once. Similarly, if you authorize a merchant (or other individual or entity) to electronically debit your account, such as an ACH debit, you understand there could be multiple submissions of the electronic request which could result in multiple NSF fees. You agree that we do not determine whether and when an item or transaction will be presented for payment. Rather, we determine whether or not the available balance is sufficient to pay a presented item or transaction.

**Stop Payment Orders.** If you don't want us to pay a specific written instrument you may request a "Stop Payment Order" ("SPO") on the instrument. Notification can be made by mail, telephone, electronically, or in person. Your SPO will take effect when we record it on your account.

A SPO will not be valid and binding unless the SPO includes your account number, the number and date of the written instrument, the name(s) of the payee(s), and the exact amount of the instrument. If this is a multiple party account, we will accept a SPO from any owner regardless of who signed the instrument or otherwise authorized the Transaction.

Only the person placing the SPO may release the SPO. You will be charged a fee for any SPO as set forth in the Fee Schedule, which may be transferred by us from any owner's account(s) or paid directly to the Credit Union. If you give an oral SPO that is not confirmed in writing by you or us within fourteen (14) days, your SPO will expire and the instrument may thereafter be paid by us.

If you provide written confirmation, your SPO will be effective for a period of six (6) months. Further, you agree that the Credit Union, in its sole discretion, may confirm any SPO in writing by sending a notice to the address shown in our records, but has no obligation to do so. Such written confirmation by us will also be effective for a period of six (6) months. To extend the SPO for an additional six (6) months, you must deliver to us an additional written request that provides all of the information required for an initial SPO as described above in this paragraph.

L&N Federal Credit Union will not be responsible for any loss as a result of honoring a check:

1. more than 14 days after receipt of your oral order to stop payment;
2. more than 6 months after your written order to stop payment, our written confirmation, or more than 6 months after a written extension as provided herein;
3. through inadvertence, oversight or accident, we honor any postdated check; or
4. if you fail to provide us with complete or accurate information.

We have no obligation to accept any order to stop payment on any certified check, cashier's check, teller's check or other instrument guaranteed by us. You will be responsible to the Credit Union if any claim or demand is made against us as a result of our acting in accordance with your stop payment order. This means that you are required to reimburse us for any loss or damages and reasonable costs, expenses or attorneys' fees that we incur in defending the Credit Union against any claims or demands made against us as a result of following your stop payment order.

You agree that any stop payment order received when the available balance in your account is insufficient to cover the item on which you are requesting us to stop payment shall be subject to a service charge for return of an insufficient funds item rather than the service charge for a stop payment order. If available, any stop payment order we receive by electronic mail or by similar means shall be treated as an oral order

**Nonmember Check Cashing.** If you issue a check drawn on your checking account and a nonmember of L&NFCU seeks to cash the check, you agree that we may require the nonmember to provide appropriate physical and/or documentary identification as a condition of cashing the check. You also agree that we may refuse to cash a check, even if it is properly payable and proper identification is provided, and such refusal shall not constitute wrongful dishonor of your check. Further, you agree we have the right to charge the nonmember, as a condition of cashing the check, a nonmember check processing fee. This fee, which is reflected on our Fee Schedule, helps us cover the additional costs and risks involved in cashing a check for a nonmember. You understand and agree that a nonmember seeking to cash a check drawn on your account retains the ability to deposit the check with their own financial institution which would result in your check being presented to us through normal check processing channels.

### **THE CHECK CLEARING ACT FOR THE 21<sup>ST</sup> CENTURY ACT – CHECK 21**

The Check 21 law helps financial institutions send checks electronically to each other, by “truncating” the movement of paper checks by converting them to electronic files. Check 21 allows any financial institution that doesn't want to receive a check in electronic form to request a paper copy of the electronic check. This converted paper check is called a “substitute check”. A substitute check is more than a photocopy or paper image of the original check – it is required to meet strict standards to qualify as the legal equivalent of the original check.

### **WHAT IS A SUBSTITUTE CHECK?**

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



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

### **WHAT ARE YOUR 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 are also entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus dividends if your account earns dividends) within 10 business days after we received your claim and the remainder of your refund (plus dividends) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any dividend on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

### **HOW DO YOU MAKE A CLAIM FOR A REFUND?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please write to us at the address listed on your statement. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include -

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect)
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or information to help us identify the substitute check, for example the check number, the name of the person to whom you wrote the check, and the amount of the check.

**Minor Checking Accounts** We will establish checking accounts for a minor child upon request of a parent, grandparent or legal guardian. A responsible adult must be legal owner on a checking account for a minor child. Access to these accounts will not be restricted due to the age of the minor child and we will not require an adult signature for withdrawals

**ATM/DEBIT Cards** By your signature on a Signature Card in the designated place for ATM/Debit Card; you have requested that we issue you a Credit Union ATM/Debit Card for use in automated teller machines ("ATMs"), to electronically access your accounts. **Use of ATMs, especially at night, is at your own risk.** You will be notified of the type, number and dollar amount of transactions you may make with your ATM/Debit Card. **We reserve the right to deny access to an ATM/Debit card to anyone under the age of 18. We will not issue a card to anyone under age 16.** Withdrawals are subject to the available balance in your account and we will not authorize

overdrafts unless you have provided your specific consent (by opting in) for us to do so. If you have opted-in, a fee applies to each withdrawal that exceeds your available balance.

**Daisy** By your signature on a Signature Card in the designated place, you have requested that we issue a Personal Identification Number ("Pin") for your use with a touch-tone telephone, to electronically access your accounts through our Direct Access Information System (Daisy). You will be notified of the type of transactions you may make.

**Other Accounts** The Credit Union offers other accounts, such as Share Certificates and Individual Retirement Accounts ("IRA") that are covered by these rules and special rules disclosed to you at the time of opening of the account.

**Share/Savings Deposit Insurance** All accounts are federally insured up to \$250,000 and are backed by the full faith and credit of the United States Government.

**FEES AND CHARGES** The Fee Schedule that you have received with these rules gives the current dollar amount of our charges and any transaction limits imposed for stop payment orders (including stop payment of electronic fund transfers), return of checks for insufficient funds, overdrafts, dormant accounts, special services, and certain other matters. The amount of each fee will be charged to your account when incurred, in accordance with our then current Fee Schedule, unless you pay the amount separately. We may charge any account for a fee incurred if the account upon which it was assessed has been closed or we may overdraft the amount (which may result in an additional fee) if the available balance is insufficient balance to pay any charges. Any fees charged to the account could result in the account being brought to a zero balance and closed.

**DEPOSITS** We will accept your deposits in person, by ATM, by direct deposit (from your employer, retirement program, dividend checks or government check), ACH, by mail, or by night depository. Your deposits will be made available to you based on the Funds Availability Disclosure contained herein. You will be required to pay any unusual fees involved in collecting your deposit. We will not be responsible for the negligence of any other financial institutions involved in the collection process. We are not responsible for transactions initiated by mail or outside depository until we actually receive and record them. **We provide night depository facilities for use at your own risk.** We reserve the right to verify all deposits, including ATM deposits, and after examination, reserve the right to correct any mistakes and change any entries which are in error. Coin counting services are provided for your use. Excessive deposits of coin, as determined by us, will be subject to a fee of 5% of the amount deposited.

**WITHDRAWALS** You may withdraw from a Savings Account in person, in writing, by ATM, by Daisy, by electronic funds transfer or by telephone. You may withdraw from your Checking Account by check, in person, by ATM, by Daisy, by electronic funds transfer, by telephone or in writing. The minimum withdrawal amount from any type of account is \$5.00. Each of you who sign a Signature Card (until we receive written notice to the contrary) authorizes each other person signing a Signature Card to withdraw or transfer any or all of the account balance at any time. Each of you also authorizes the other to endorse any item payable to you or your order for deposit only to your account. We reserve the right to not process any transaction that is by any method not specifically permitted or which is greater in the number of transactions allowed or which is less than any minimum imposed. The honoring of any unusual method or practice does not waive our right to refuse any future such request. Any abuse of privileges may cause the account to be closed. You are jointly and severally liable for repayment of all overdrawn amounts, regardless of how or by whom, such a negative balance is incurred. We reserve the right to require you to give us 60 days notice on all withdrawals from Savings Accounts.

An official check that has been issued from an account that has been opened less than 90 days will not be eligible for cashing until 48 hours after the check was issued

**SAVINGS ACCOUNT TRANSFERS** All pre-authorized and electronic fund transfers from a Savings Account to another account, or third parties, are restricted to a maximum of six per month.

**DIVIDENDS** We will pay dividends on your accounts held at the Credit union. The rate and method we use to calculate dividends may change from time to time without written notice. By law we are prohibited from guaranteeing the payment of dividends or guaranteeing that those payments will be at the contracted amount. Dividend payments to you must be based upon the money we actually earn and that is available for distribution at the end of a dividend earnings period. Dividends will be earned throughout the period if they are considered to be fully paid from the first of the month according to our by-laws or applicable accounts. The current method of calculating and paying dividends is described in the Truth in Savings Disclosure section. The current rates are posted in each of our offices, on our website and are available upon request.

**DIRECT DEPOSIT** We will deposit any amount that has been authorized through the direct deposit plan of the Federal Government or your employer. If, in connection with any such deposit, we deposit any amount in your account which should not have been deposited, and should have been returned to the Federal Government or your employer, you authorize us to deduct the amount from the account or from another account you have with us. This deduction may be without prior notice, if allowed by law. We reserve the right to seek other legal remedies to recover any loss to us.

**STATEMENTS** A statement of your account(s) will be available electronically, within L&N Federal Credit Union's Internet Banking service, free of charge. If you have a Checking Account(s), statements will be updated and available monthly. Savings, Certificate and Loan accounts will be updated and available quarterly (if there are no monetary transactions, statement(s) will be available on an annual basis). If you elect to receive paper statements, sent by regular mail, a fee of \$2.00 per statement will be charged to your Savings or Checking account.

Your statement will show all activity on your accounts for the previous period. If you do not notify us of any unauthorized signatures or alterations within a reasonable time, not to exceed 14 days, after we send or make available to you your statement then: (1) you cannot assert the unauthorized signature or alteration against us, even if we are unable to show a loss due to your failure of notice, and (2) you cannot assert any unauthorized signatures or alterations by the same wrongdoer on items paid by us after the 14 day period elapses, but before we receive your notice. We lose these protections if we fail to exercise ordinary care in paying an item with an unauthorized signature or alteration, unless you do not notify us within 60 days after we send or make available to you the statement. You will lose your right to assert any other problem with your account, unless you notify us within the 60-day period. Please refer to the Electronic Funds Transfer Disclosure to determine your notification obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

**INACTIVE OR DORMANT ACCOUNTS** If there are no deposits or withdrawals to or from an account for a period of 6 months or more and the balance in the account is below \$100 and there is no forwarding address, we will consider such account inactive and dormant. Accounts excluded are those of members younger than 16 years of age.

**RIGHT OF SET-OFF** We have the right to set-off any part or all of the funds in your accounts (except IRAs) and to apply such funds against any obligation that you or any legal owner may have with us, either now or in the future. Any time the credit union sustains a loss on an account of yours, whether as primary or legal owner, your ability to remain a member of our credit union is cancelled and you are prohibited from *becoming or remaining* a legal owner on any other membership within the credit union.

**SUSPENSION/DENIAL OF SERVICES** We have the right to suspend the benefit of any credit union service at any time for reasonable cause. Account services are available to those members in good standing with the credit

union. We reserve the right to cancel or suspend services to a member who is not in good standing, which includes members that have:

- A. A delinquent loan;
- B. A primary share account balance below the \$5.00 minimum;
- C. An unresolved deposited returned check;
- D. Any unpaid and uncollected fee;
- E. A negative balance on an account;
- F. Caused a financial loss to the credit union;
- G. Failed to meet other obligations to us;
- H. Failed to conduct yourself in a civil and businesslike manner
- I. If you are abusive, threatening or intimidating towards credit union staff, volunteers, or other members, or attempt to coerce them into committing an act that violates credit union policy, procedure, state/federal laws or business ethics.
- J. Been directly involved in any fraudulent activity;
- K. Been convicted of a crime;
- L. Failed to comply with applicable law and/or our then existing Bylaws and amendments;

**LOST CHECK/ITEMS** You will be responsible for reporting to us as soon as is reasonably possible the loss or theft of your checks, deposit slips, ATM/Debit Card or PIN.

**GARNISHMENTS OF YOUR ACCOUNTS** If the funds in your account are attached, levied against, garnished or otherwise proceeded against as the result of a lawsuit that someone has brought against you or against a legal owner on the account, we are obligated to comply with any levy, attachment or garnishment we receive. You must reimburse us for any additional expenses that we may incur.

**COLLECTION COSTS** Under this agreement, you agree to pay the actual costs of collection including court costs and reasonable attorney fees.

**CONSENT TO CONTACT** You agree that we may notify you using your contact information listed in our records, including your email address and telephone number(s). By providing phone number(s) to us (including any wireless, mobile, or VOIP number), you expressly consent to receive autodialed or prerecorded calls and text messages from L&NFCU or any agents performing services on our behalf. You consent to receive calls or text messages:

- (i) to notify you in regards to any of your accounts;
- (ii) to provide you with credit or debit card transaction alerts;
- (iii) to collect a debt or other obligation; or
- (iv) as otherwise necessary to service your accounts, loans, or products.

**CONSENT TO MONITORING AND RECORDING** You provide your express consent to our monitoring and recording of our conversations and other communications with you. Your consent applies to our monitoring and recording of telephone conversations, electronic messages, electronic records, or other data transmissions between you and us regarding your account or other products and services offered by us. Your consent applies regardless of whether you or we initiated the contact. We monitor and record conversations and communications for quality control, fraud prevention, and training purposes.

**STATUTORY LIEN** We have the power to impress and enforce a lien upon your account balances to the extent of any loan, including interest, fees, and charges, made to you and any fees or charges you may owe to us. We may exercise these rights as a federally chartered Credit Union without obtaining a court order and by any other methods permitted by law.

**CHANGE OF ADDRESS** It is your responsibility to keep us informed of your correct address and any delay in notice under these rules due to your negligence, shall not act as a waiver of the time periods nor extend the time periods in any way that would increase our liability due to your negligence. A monthly fee may be imposed on your account for lack of a correct address.

**POWERS OF ATTORNEY** The Credit Union may allow a third person acting as your attorney-in-fact to make transactions regarding your account(s), pursuant to a Durable Power of Attorney, or Military Power of Attorney, but has no obligation to do so. You agree that we have no obligation to verify the scope, authenticity, and validity of any Power of Attorney presented to us. If we accept the Power of Attorney, the Credit Union has no duty to inquire as to the use or purpose of any transaction(s) by your attorney-in-fact, and may restrict or refuse account access, withdrawals and transfers. Further, you agree to reimburse the Credit Union for all costs and expenses, including attorneys' fees, we incur and agree to indemnify us for any loss or other expense we incur from our acceptance of your Power of Attorney.

**Dividend Payment Policy** For share/savings accounts, you begin earning dividends on the deposit (whether it was a deposit of cash or checks) as of the date of deposit until the date of withdrawal. Dividends are posted to the account quarterly and are available for withdrawal on the first working day of the new quarter.

For qualifying checking accounts, you begin earning dividends on the deposit (whether it was a deposit of cash or checks) as of the date of deposit until the date of withdrawal, provided the account balance requirements are met. Dividends are posted to the account monthly and are available for withdrawal on the first working day of the new month.

For Money Market Accounts, you begin earning dividends on the deposit (whether it was a deposit of cash or checks) as of the date of deposit until the date of withdrawal as long as the daily minimum balance is met. Dividends are posted to the account monthly and are available for withdrawal on the first working day of each month.

#### **TRUTH IN SAVINGS DISCLOSURE**

**RATE INFORMATION** The Dividend Rate and Annual Percentage Yield (APY) for each account are set forth in the accompanying Share/Savings Disclosure, Checking Disclosure, Money Market Disclosure, and/or Certificate Account Disclosure. The Dividend Rate and APY for all accounts may change monthly as determined by the Board of Directors.

**COMPOUNDING AND CREDITING** The dividend period for all Savings type accounts is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1<sup>st</sup> and the ending date of such dividend period is March 31<sup>st</sup>. The dividend period for all Checking accounts and all Money Market accounts is monthly. For Premium and Superior checking accounts, dividends will be figured on the daily balance and paid monthly. For Money Market Accounts, dividends will be figured on the daily balance and paid monthly. For Premier Money Market Accounts, dividends will be figured on the daily balance of \$25,000 or more and paid monthly. The dividend declaration date follows the ending date of a dividend period. If an account is closed before dividends are credited, accrued dividends will be paid.

**MINIMUM BALANCE REQUIREMENTS** The minimum balance required to open any Savings type account is \$5.00, the par value. There is a minimum balance of \$5.00 to earn dividends on all Savings type accounts. Some of the checking accounts offered do not earn dividends. To earn the disclosed APY, you must maintain, at least, an account's minimum balance to earn dividends for the dividend period. Dividends will not be earned on days when the account balance falls below the minimum. For Checking Accounts, order forms for checks will not be processed unless the available balance is sufficient to cover the costs of the order.

**BALANCE COMPUTATION METHODS** Dividends are calculated by the Daily Balance Method. Dividends are calculated under this method by applying a daily periodic rate to the balance in the account each day of the period.

**ACCRUAL OF DIVIDENDS** Dividends begin to accrue on the business day you deposit noncash items into your account.

**TRANSACTION LIMITATIONS** For Savings type accounts, the following limitations or restrictions apply to all accounts according to the Bylaws of L&N FCU:

- The Board shall have the right, at any time, to require members to give, in writing, not more than 60 days notice of intention to withdraw the whole or any part of the amounts so paid in by them.
- No member may withdraw shareholdings that are pledged as required security on loans without the written approval of a loan officer, except to the extent that such savings exceed the member's total primary and contingent liability to the credit union.
- No member may withdraw any shareholding below the amount of his/her primary or contingent liability to the credit union if he/she is delinquent as a borrower, or if borrowers for whom he/she is co-maker, endorser, or guarantor are delinquent, without the written approval of a loan officer.
- During any statement period, you may not make more than six withdrawals or transfers to another Credit Union account of yours or to a third party by means of a preauthorized or automated transfer or telephonic order or instruction. If you exceed the transfer limitations set forth above in any statement period, your account will be subject to closure by the Credit Union or to a fee per excessive item.

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

**FEES AND CHARGES** The fees and charges that may be charged on an account are itemized in the accompanying "Fee Schedule", which Schedule is incorporated herein by reference. These fees may reduce the earnings on your account. The amount of each fee will be charged to your account when incurred, unless you pay the amount separately. We may charge another account of yours for a fee incurred if the account on which the fee was assessed has been closed or the available balance is insufficient to pay the charge.

#### **ELECTRONIC FUNDS TRANSFERS AGREEMENT**

The following governs any electronic fund transfer ("Transaction") made by you, or anyone authorized by you, in connection with your accounts at the Credit Union, whether initiated by an ATM/Debit Card, by pre-authorized Transaction (transfers authorized on a recurring basis at regular intervals), by Daisy, by mobile banking or by other means of access provided now or in the future. We will issue you a PIN, which you must use together with the ATM/Debit Card to access our own ATMs and the STAR Card regional network of ATMs. The PIN will also be necessary to access such services as Point-of Sale Terminals (POS) and other electronic systems made available now or in the future to perform Transactions on your Credit Union accounts. Another PIN will be issued for use with our bank-by-telephone service called Daisy and for access to our mobile banking environment.

**AGREEMENTS** Transactions may only be performed while your accounts have sufficient available balances to complete the transaction requested. Wrongfully obtaining funds from the Credit Union by use of an ATM/Debit Card or PIN constitutes a federal criminal offense, punishable by fine or imprisonment, or both. All terms and conditions of any written agreements that have been previously made between you and the Credit Union regarding the use of the ATM/DEBIT Card and a PIN and any of your Credit Union accounts apply to all Transactions, unless any terms or conditions in those agreements conflict with the rules and regulations set forth in this disclosure, in which case the rules and regulations of this disclosure will control. All Transactions, whether deposits, withdrawals, or transfers, made with the ATM/Debit Card or a PIN are subject to verification by the Credit Union. Any card or other instrument issued by the Credit Union shall supersede the present instruments.

**PROPERTY RIGHTS** The ATM/Debit Card and the PIN are property of the Credit Union and your right to use these in connection with your Credit Union accounts may be terminated at any time without notice. You will surrender your ATM/Debit Card or cease to use your PIN whenever the Credit Union asks for them. You will not allow any other person possession or use of the ATM/Debit Card or PIN. It is your responsibility to prevent disclosure and unauthorized use of your ATM/Debit Card and PIN. If you allow any person to use your ATM/Debit Card or PIN, then you will be held liable for any of their use by that person, unless you notify the Credit Union that the individual is no longer authorized by you to make Transactions on your accounts. The Credit Union will, as soon as possible, after notification, block further Transactions on your account.

**CHANGES** We reserve the right to change or add to these rules and regulations at any time, upon giving you reasonable notice. When required by law, our notice will be at least 21 days prior to the effective date of the change. Such notice may consist of enclosing a notice on or in the statement of the account or mailing a notice in a special mailing or, if you have agreed, providing you electronic notification. Notice to any legal account holder of the ATM/Debit Card or PIN is notice to all of you. In the event we determine that an immediate change is necessary to maintain or restore the security of the electronic fund transfer services or to any account, then we may make the necessary change without advising you in advance. We can delay enforcing any of our rights against you without losing them.

### **ELECTRONIC FUNDS TRANSFER DISCLOSURE**

This disclosure contains important information about your rights and liabilities; please retain this disclosure with your valuable papers for future reference.

**YOUR OBLIGATIONS** It is very important to keep your PIN confidential and separate from your ATM/Debit Card to prevent someone from using it to make transactions without your permission.

Tell us AT ONCE if you believe your ATM/Debit Card or PIN has been lost or stolen. 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 any. If you tell us within 2 business days, you can lose no more than \$50.00 if someone used your ATM/Debit Card or PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your ATM/Debit Card or PIN, and we can prove that we could have stopped someone from using your ATM/Debit Card or PIN without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make, 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 we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period.

**NOTIFICATION OF LOSS** If you believe your ATM/Debit Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without permission, call:

<b>Call</b>	<b>Write</b>
1-502-368-5858 Or 1-800-292-2905	Finance Department L & N Federal Credit Union 9115 Smyrna Parkway Louisville, Kentucky 40229

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

- If, through no fault of ours, the available balance in your account is insufficient to make the transfer.
- If, when applicable by prior agreement, the transfer would go over the limit on your overdraft line.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If the ATM that you are using does not have enough cash to complete the transaction.
- If the Electronic Funds Transfer system is not working properly and you know this at the time of transfer.
- If the ATM or Daisy malfunctions or ceases to operate during a transaction.
- If you make a mistake using the ATM, Point-of-Sale, Daisy or any other terminal device provided now or in the future.
- If we correct the error before the error causes you any actual damage.

There may be further exceptions stated in agreements with you.

**BUSINESS DAYS** Our business days are Monday through Friday; Credit Union holidays are not included.

**ACCOUNT ACCESS** Any transaction at an ATM, POS, Daisy, and any other terminal or device provided now or in the future that is initiated by use of your ATM/Debit Card or PIN or both, including:

- Cash withdrawals from your Savings or Checking Accounts.
- Deposits made to your Savings or Checking Accounts.
- Transfers between your Savings and Checking Accounts.
- Balance inquires for the available balance in your Savings or Checking Accounts. This figure may not agree with your records, as some withdrawals, checks or deposits may not yet be posted to your account.
- Not all services are available at every terminal.
- Through Daisy, loan advances on designated loans for deposit in designated Savings or Checking Accounts.
- Through Daisy, Check withdrawal from Savings, mailed on date you request or the first business day thereafter.
- Through Daisy, you may authorize us to automatically debit or credit your accounts for payments to and from third parties.
- Through our Mobile Banking App, withdrawals from savings, transfers between accounts.
- Please see the accompanying Fee Schedule for any fee that could apply to these transactions.

Electronic check conversion transfers are permitted to access your Checking Account. An electronic check conversion occurs when a merchant is authorized to convert your check (using information from your check) into an electronic funds transfer. The merchant may also request authorization to electronically collect a charge in the event the check or transfer is returned. Your authorization may be expressed in writing or implied through the posting of a sign.

**FEES** When you use an ATM not owned by us, you may be charged a fee by the ATM operator [or any network used] (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer). You understand and agree that the ATM operator may charge you multiple fees for multiple transactions (for example, a fee for a balance inquiry and a fee for a fund transfer) during the same ATM session.

Please see our Fee Schedule for fees charged for EFT services. These fees may be charged from time to time and we will notify you as required by law.

### **LIMITATIONS**

**ATM Card:** You may make unlimited transfers up to the amount of funds available in your Savings or Checking Accounts through the **ATM** during any one calendar business day. You also may make unlimited deposits.



However, you may only make withdrawals for a combined total of up to \$1000 cash per day per **ATM Card**. During any interruption of the electronic services system ("off-line" situation), the dollar amount and frequency of transactions may be reduced. All transactions made with the **ATM Card** or a **PIN** will be subject to the rules, regulations, by-laws or operating procedures of this Credit Union.

**DEBIT Card:** You may make unlimited transfers up to the amount of available funds in your Savings or Checking Accounts through the use of the **Debit** card service during any one calendar business day. You also may make unlimited deposits. However, you may only make withdrawals for a combined total of up to \$1000 cash per day per **Debit Card** at an ATM. POS transactions using the **Debit** card may be processed up to \$2000 per day. The single POS limit may be raised for special circumstances, with the raised limit not to extend beyond the close of the business day. During any interruption of the electronic services system ("off-line" situation), the dollar amount and frequency of transactions may be reduced. All transactions made with the **Debit Card** or a **PIN** will be subject to the rules, regulations, by-laws or operating procedures of this Credit Union.

**DAISY:** You may make unlimited transfers up to the amount of available funds in your Savings or Checking Accounts through the **Daisy** service during any one calendar business day. You also may make unlimited deposits. During any interruption of the electronic services system ("off-line" situation), the dollar amount and frequency of transactions may be reduced. All transactions through the **Daisy** service will be subject to the rules, regulations, by-laws or operating procedures of this Credit Union.

**MOBILE BANKING APPS:** You may make unlimited transfers up to the amount of available funds in your Savings or Checking Accounts through the mobile banking service during any one calendar business day. You also may make unlimited deposits. During any interruption of the electronic services system ("off-line" situation), the dollar amount and frequency of transactions may be reduced. All transactions through the mobile banking service will be subject to the rules, regulations, by-laws or operating procedures of this Credit Union.

**ACKNOWLEDGEMENTS** You will receive a receipt as an acknowledgement for each transaction made to or from your account at any device provided by us now or in the future. You will receive a monthly statement on your account unless there are no monetary transactions in a particular month, in which case you will receive a quarterly or annual statement on your Account.

**IN CASE OF QUESTIONS OR ERRORS** If you think your statement or receipt is wrong or if you need more information about a transfer listed on your statement or receipt, notify us as soon as you can during business hours, by calling:

Call	Write
1-502-368-5858 Or 1-800-292-2905	Finance Department L & N Federal Credit Union 9115 Smyrna Parkway Louisville, Kentucky 40229

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 your name and account number; and
2. Describe the error or 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; and
3. Tell the dollar amount or suspected error.

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

We will tell you the results of the investigation within 10 business days after hearing from you and will correct any error promptly. If more time is needed, however, we may take up to 45 days to investigate your complaint or question. If this decision is made, we will re-credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete the investigation. If you have been asked to put your complaint in writing and we do not receive it within 10 business days, the account may not be re-credited.

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

If we decide that there was no error, you will be sent a written explanation within 3 business days after the investigation is finished. You may ask for copies of documents that were used in the investigation.

**PRE-AUTHORIZED DEBITS** If you have a written agreement with us or any company so authorized to initiate such agreement on your account, then we will debit your account as you ordered with the following conditions:

If you told us in advance to make regular payments out of your account you can stop these payments by doing one of the following:

Call	Write
1-502-368-5858 Or 1-800-292-2905	Finance Department L & N Federal Credit Union 9115 Smyrna Parkway Louisville, Kentucky 40229

In time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages. This liability will be limited to the dollar amount of the transfer plus any fees and charges which may result from the transfer.

**THIRD PARTY DISCLOSURE** We will disclose information to third parties about your account or transfers you made as follows:

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

### **FUNDS AVAILABILITY - YOUR ABILITY TO WITHDRAW FUNDS**

This policy statement applies to Checking Accounts. These are our transaction accounts, which permit an average monthly number of payments, not to exceed 50 per month, to third parties and an unlimited number of telephone and pre-authorized transfers to other accounts of yours with us, up to the available balance in your account. A fee may be imposed if payments in excess of 50 per month are paid on the account. Feel free to ask us whether any of your other accounts might also be under this policy.

When you deposit checks and similar items to your L&NFCU account, you expect us to make the funds available for your use as quickly as possible. Our Funds Availability Policy is designed to do just that. Depending on the type of non-cash deposit you make, your funds may be available as quickly as the next business day. Of course,

depending on the amount, type and source of your non-cash deposit, there are situations when your deposit will take longer to become available for your use.

Our Funds Availability Policy provides detailed information about when funds you deposit will become available for your use. This policy is in effect for accounts opened at all L&NFCU branches.

Please take a moment to review this Policy. By understanding how we make your deposits of non-cash items available, it will be easier for you to manage your account and realize all the benefits of banking with L&NFCU.

## AVAILABILITY TIMELINE FOR DEPOSITS TO ESTABLISHED ACCOUNTS

Below is our general policy for accounts open for more than 30 days. **Longer delays may apply**, and different rules apply for **checks deposited to accounts open 30 days or less**.

We determine availability by counting the number of business days from the business day of your deposit. Every day except Saturday, Sunday and a federal holiday is a business day.

**WHAT IS A “BUSINESS DAY?”** A business day is any day of the week except Saturday, Sunday, and Federal holidays. Our cut-off time for branches will be the closing time of the branch, but no later than 6:00 p.m. The cut-off time for a mobile device is 5:00 p.m. The cut-off time for non-L&NFCU ATMs is 3:00 p.m. Deposits made through our night depository after 8:00 a.m. may be processed on the next business day.

If you make a deposit through one of our branch tellers, ATM, mobile device, or by mail before our cut-off time, we will consider that day to be the day of your deposit. However, if you make a deposit after our cut-off time or on a day that is not a business day, we will consider the deposit as being made on the next business day we are open. Availability varies depending on the type of deposit and is explained below.

When a deposit is made by...	Deposited funds are available...
<ul style="list-style-type: none"><li>• Electronic Deposit</li><li>• Wire Transfer</li></ul>	<ul style="list-style-type: none"><li>• Usually the same day, but see “Longer Days May Apply”</li></ul>
<ul style="list-style-type: none"><li>• Cash</li><li>• Check</li></ul>	

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

**LONGER DELAYS MAY APPLY** Funds from check deposits may not be available according to the timeline described above. In some cases, funds may be held for up to three business days, and in other specific cases they may be held for up to 7 business days after the day of your deposit. We will notify you if we delay your ability to withdraw funds, and we will tell you when the funds will be available.

In the case of a 2-day hold:

- The first \$225 of the deposit will be available on the next business day.
- The entire deposit will be available for paying checks you have written on the second business day.
- The remainder will be available for cash withdrawal on the third business day.

Funds from check deposits may be delayed for up to 7 business days if:

- We believe a deposited check will not be paid.
- You deposit checks totaling more than \$5000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last 6 months.
- There is an emergency, such as failure of computer or communication equipment.

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

**AVAILABILITY TIMELINE FOR DEPOSITS TO NEW ACCOUNTS (open 30 days or less)**

If you are a new member, the following special rules will apply during the first 30 days your account is open.

When a deposit is made by...	Deposited funds are available...
<ul style="list-style-type: none"> <li>• Electronic Deposit</li> <li>• Wire Transfer</li> <li>• Cash</li> </ul>	<ul style="list-style-type: none"> <li>• The same business day</li> </ul>
<ul style="list-style-type: none"> <li>• US Treasury check payable to you</li> </ul>	<ul style="list-style-type: none"> <li>• First \$5525 is available on the next business day.</li> <li>• Any remainder is available in 9 business day</li> </ul>
<ul style="list-style-type: none"> <li>• Government, cashiers, certified, tellers or travelers check that is payable to you</li> </ul>	<ul style="list-style-type: none"> <li>• The first \$5525 is available on the next business day if deposited with a teller, the remaining funds will be released in 2 business days.</li> </ul>
<ul style="list-style-type: none"> <li>• Postal money order, Federal Reserve Bank check, or Federal Home Loan Bank check.</li> </ul>	<ul style="list-style-type: none"> <li>• The first \$5525 is available on the next business day if deposited with a teller. Any remainder over \$5525 is available to you in 9 business days.</li> </ul>
<ul style="list-style-type: none"> <li>• Other checks not specifically described above. For example, personal checks or checks not written to you.</li> </ul>	<ul style="list-style-type: none"> <li>• The first \$225 available same day, balance in 2 business days.</li> </ul>

**DEPOSITS AT AUTOMATED TELLER MACHINES**

**ATMs NOT OWNED BY US** Funds from any deposits (cash or checks) made at ATMs we do not own or operate may not be available until the fifth business day after the day of your deposit. All ATMs that we own or operate are identified as our machines.

**MOVEMENT OF FUNDS BY MEANS OF WIRE TRANSFER AND AUTOMATED CLEARING HOUSE (ACH) CREDITS.**

According to the Bylaws of the L&N Federal Credit Union (L&NFCU), Article 4A of the Kentucky Uniform Commercial Code, (UCC), Subpart B of Regulation J by the Board of Governors of the Federal Reserve (Reg. J), the following disclosure governs the movement of funds by means of wire transfers, automated clearing house (ACH) credits and some book transfers on credit union records.

This disclosure sets forth the duties, responsibilities and liabilities of all parties involved in a funds transfer. Using L&NFCU to send or receive fund transfers shall constitute your acceptance of these terms. To the extent that the terms of this disclosure are in conflict with any other disclosure previously presented to you concerning the terms and conditions of your membership and your accounts, the terms set forth in this disclosure shall control.

1. This disclosure applies to funds transfers as defined in Article 4A of the UCC and Subpart B of Reg. J.
2. L&NFCU may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments or cancellations. Unless other times are posted for various types of fund transfers, the cut-off time will be 2:00 p.m. on each day the office is open and which is not a declared federal holiday by the Federal Reserve Board. Payment orders, amendments or cancellations received after 2:00 p.m. are received as of the next following funds transfer business day and are processed accordingly.
3. L&NFCU may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made. Funds transfers requests may be made by phone, fax, or in person.
4. L&NFCU may establish, from time to time, security procedures to verify the authenticity of the payment order. You will be notified of the security procedures, if any, to be used to verify payment orders issued by you or for

which your account will be liable. You agree that the authenticity of payment orders may be verified using the security procedures unless you notify L&NFCU in writing that you do not agree to that security procedure. In that event, L&NFCU shall have no obligation to accept any payment order from you or authorized parties on the account until you and L&NFCU agree, in writing, on an alternative security procedure.

5. If you send or receive a wire transfer, Fed wire may be used. Regulation J is the law covering all Fed wire transactions, setting forth your rights and liabilities in a wire transfer involving Fed wire.
6. If you give L&NFCU a payment order which identifies the beneficiary (recipient of the funds) by name and an identifying or account number, you are responsible to L&NFCU if the funds transfer is completed on the basis of the identification or account number you provided. This is true if the beneficiary's financial institution credited the transaction based only on the identifying or account number, even if the name on the account is a person different than the named beneficiary.
7. If you give L&NFCU a payment order, which identifies an intermediary of a beneficiary's financial institution by name and identifying number, a receiving financial institution may rely on the number as the proper identification even if it identifies a different institution than provided by you. Therefore, you are responsible for any loss or expenses incurred by a receiving financial institution which executes or attempts to execute the payment order in reliance on the identifying number you provided.
8. L&NFCU may give you credit for ACH payments before it receives final settlement of the transfer funds. Any such credit is provisional until L&NFCU receives final settlement of the payment. You are hereby notified and agree if L&NFCU does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. Therefore, you are responsible for funds advanced to you prior to final settlement and if the funds are not actually received by L&NFCU you must repay any funds advanced on your behalf.
9. ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, you will receive notice of receipt of ACH items in the periodic statements of your account.

## **PRIVACY STATEMENT**

In recognition of our member's expectation of privacy, the L&N Federal Credit Union has adopted the following privacy statement:

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with Federal standards to guard your nonpublic personal information.

We may disclose some or all of the information we collect to service providers, such as credit reporting agencies, check printers or marketing services that perform a service on our behalf. We may also disclose information about you under other circumstances permitted by law.

## **ARBITRATION AGREEMENT AND WAIVER OF CLASS ACTION**

READ THIS ARBITRATION PROVISION CAREFULLY: IT WILL IMPACT HOW LEGAL CLAIMS YOU AND WE HAVE AGAINST EACH OTHER ARE RESOLVED. IT PROVIDES, AMONG OTHER TERMS:

- YOU OR WE MAY ELECT TO HAVE DISPUTES BETWEEN US RESOLVED BY BINDING ARBITRATION INSTEAD OF IN COURT.
- IN ARBITRATION YOU GIVE UP THE RIGHT TO SUE IN COURT AND DISCOVERY AND RIGHTS OF APPEAL ARE LIMITED.
- A NEUTRAL ARBITRATOR RESOLVES THE DISPUTE INSTEAD OF A JUDGE OR JURY.
- YOU MAY NOT PARTICIPATE AS A CLASS REPRESENTATIVE OR MEMBER IN ARBITRATION OR IN ANY OTHER CONSOLIDATED PROCEEDING.

*The below Arbitration Agreement does not apply to any “covered borrower” as defined in the Military Lending Act.*

Under the terms of this Arbitration Provision, and except as set forth below, Claims (as defined below) will be resolved by individual (and not class-wide) binding arbitration in accordance with the terms specified herein, if you or we elect it. These provisions shall apply to any claim arising or relating to any Claim existing now or in the future and shall apply to existing and future accounts.

### **EFFECT OF ARBITRATION.**

This Arbitration Provision will apply to you and us and to your account as of the date your account was opened. If a Claim is arbitrated, neither you nor we will have the right to: (1) have a court or a jury decide the Claim; (2) engage in information-gathering (discovery) to the same extent as in court; (3) participate in a class action, private attorney general or other representative action in court or in arbitration; or (4) join or consolidate a Claim with those of any other person.

The terms in this Section shall not limit or constrain our right to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to collect any interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies. This Arbitration Provision will survive the termination of your Membership and Account Agreement. See further details below.

### **JURY WAIVER.**

AS PERMITTED BY LAW, YOU AND WE AGREE AND UNDERSTAND THAT YOU AND WE BOTH GIVE UP THE RIGHT TO TRIAL BY JURY. THIS IS A JURY TRIAL WAIVER.

### **CLASS ACTION WAIVER; NO JOINDER OF PARTIES.**

**OTHER THAN AS EXPRESSLY PROVIDED IN THIS ARBITRATION AGREEMENT, YOU AND WE AGREE THAT ONLY AN ARBITRATOR MAY RESOLVE CLAIMS. YOU AGREE NOT TO BRING OR PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER IN ANY CLASS ACTION IN ARBITRATION OR ANY OTHER CONSOLIDATED PROCEEDING. ANY CLAIM BETWEEN YOU AND US MUST BE RESOLVED ON AN INDIVIDUAL BASIS. ARBITRATION IS NOT AVAILABLE AND WILL NOT BE CONDUCTED ON A CLASS-WIDE BASIS.**

UNLESS MUTUALLY AGREED TO BY YOU AND US, CLAIMS OF TWO OR MORE PERSONS MAY NOT BE JOINED, CONSOLIDATED, OR OTHERWISE BROUGHT TOGETHER IN THE SAME ARBITRATION (UNLESS THOSE PERSONS ARE JOINT ACCOUNT OWNERS, BORROWERS OR BENEFICIARIES ON YOUR ACCOUNT AND/OR RELATED ACCOUNTS, OR PARTIES TO A SINGLE TRANSACTION, LOAN OR RELATED TRANSACTION). IF THIS SPECIFIC PARAGRAPH RELATING TO CLASS OR REPRESENTATIVE PROCEDURES IS DETERMINED BY TO BE UNENFORCEABLE WITH RESPECT TO A CLAIM, THEN THIS

ENTIRE PROVISION SHALL BE IN APPLICABLE TO THAT CLAIM BUT ALL OTHER PROVISIONS HEREIN SHALL REMAIN FULLY BINDING.

## DEFINITIONS

“You,” “Yours,” “We,” “Us” and “Our.” Solely as used in this Arbitration Provision, the words “you” and “yours” mean anyone who signs a Membership and Account Application, or similar document. The words “we,” “us” and “our” mean the credit union and includes the credit union’s employees, officers, directors, volunteers, affiliates, predecessors, acquired entities, successors and assigns.

“Account.” For purposes of this Arbitration Provision, the word “account” means any one or more savings, checking or other accounts you have with us and the features and services provided in connection with it or them. The word “savings” means any share or time deposit account you have with us. The word “checking” means any share draft account you have with us. These terms include, but are not limited to: checking accounts, savings accounts, money market accounts, share certificates, custodial accounts, and accounts in a fiduciary capacity. “Account” also refers, collectively and separately, to any services associated with any account. Further, “account” shall include any loan or lending relationship with us as a borrower, co-borrower, guarantor, owner of collateral or third-party pledgor. A loan or lending relationship shall include any products or services obtained in connection with or arising from the lending relationship.

“Claim.” A “Claim or claim” subject to arbitration is any demand, cause of action, complaint, claim, asserted right, or request for monetary or equitable relief, whether past, present or future, and based upon any legal theory, including contract, tort, consumer protection law, fraud, statute, regulation, ordinance, or common law, which arises out of or relates to your Membership and Account Agreement, your deposit account(s) or loan account(s), the events leading up to your becoming an account holder or borrower (for example, advertisements or promotions), any feature or service provided in connection with your account(s), or any transaction conducted with us related to any of your accounts or services. Notwithstanding the foregoing, the term “Claim” excludes: (a) any dispute or controversy about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof, including the Class Action Waiver below (a court will decide such disputes or controversies); and (b) any individual action brought by either party in small claims court or your state’s equivalent court, unless such action is transferred, removed or appealed to a different court.

## ARBITRATION PROCEDURES

1. **Agreement to Arbitrate Claims.** You or we may elect to arbitrate any Claim.
2. **Electing arbitration.** If you or we elect to arbitrate a Claim, the party electing arbitration must notify the other party in writing (the “Notice”). Your Notice to us shall be sent to: L&N FEDERAL CREDIT UNION ATTN: COMPLIANCE DEPT. 9115 SMYRNA PKWY LOUISVILLE, KY 40229. Our Notice to you shall be sent to the address for you currently in our files. Any arbitration hearing that you attend will take place in a venue in the county where you reside unless you and we agree otherwise. If a party files a lawsuit in court asserting a Claim and the other party elects arbitration, such Notice may be asserted in papers filed in the lawsuit (for example, a motion by the defendant to compel arbitration of Claims asserted by the plaintiff in a lawsuit filed in court). If you or we commence litigation of a Claim, neither you nor we waive our right to elect arbitration with respect to any counterclaim or other Claim that you or we may make. In the event that a court grants a motion to compel arbitration, either party may commence the arbitration proceeding in accordance with the rules and procedures of the arbitration administrator specified in this section.
3. **Arbitration costs.** We will pay the filing, administrative and/or arbitrator’s fees (“Arbitration Fees”) that we are required to pay pursuant to the administrator’s rules or the law. In addition, with respect to Arbitration Fees that you are required to pay under the administrator’s rules in connection with an individual arbitration you have commenced against us: (i) if the amount of your Claim does not exceed \$75,000 and we receive a written request by you at the Notice Address, we may pay or reimburse you for your payment of said Arbitration Fees; (ii) if the amount of your Claim exceeds \$75,000 and we receive a written request by you at the Notice Address, we will consider paying said Arbitration Fees if you are unable to pay them and cannot obtain a waiver or reduction of them from the arbitration administrator. This obligation to pay

only applies to the direct fees of the administrative and/or arbitrator; and does not cover any other fees, costs or expenses.

4. **Arbitration administrator and rules.** The party electing arbitration must choose between one of two administrators: (1) the American Arbitration Association (“AAA”), or (2) JAMS. The administrator chosen will apply its rules and/or codes of procedures in effect at the time arbitration is elected. You may obtain a copy of the rules and/or codes, and more information about initiating an arbitration, by: (1) contacting AAA at: 1-800-778-7879 or visiting: [www.adr.org](http://www.adr.org), or (2) contacting JAMS at: 1-800-352-5267 or visiting: [www.jamsadr.com](http://www.jamsadr.com). The arbitrator is bound by the terms of this Agreement. If neither AAA nor JAMS can serve, the parties may agree on another administrator, or a court may appoint one.
5. **What law the arbitrator will apply.** The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court, or by state or local laws that relate to arbitration proceedings. However, the arbitrator will apply the same statutes of limitation and privileges that a court would apply if the matter were pending in court. In determining liability or awarding damages or other relief, the arbitrator will follow the applicable substantive law, consistent with the Federal Arbitration Act (FAA), that would apply if the matter had been brought in court.
6. **The arbitrator’s decision and award; attorney fees.** At the timely request of either party, the arbitrator shall provide a brief written explanation of the grounds for the decision. The arbitrator may award any damages or other relief or remedies that would apply under applicable law, as limited above, to an individual action brought in court. In addition, with respect to Claims asserted by you in an individual arbitration, we will pay your reasonable attorney, witness and expert fees and costs if, and to the extent you prevail, or if applicable law requires us to do so.
7. **Effect of arbitration award; appeal.** The arbitrator’s award shall be final and binding on all parties, except for any right of appeal provided by the Federal Arbitration Act. Your Membership and Account Agreement, Other Services Agreements or Disclosures and Loan Agreements evidence transactions in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this Arbitration Provision. If a specific law expressly requires otherwise, then that law will apply in place of any of the foregoing without invalidating any other provisions in this Section.

**CONFLICTS; SEVERABILITY; SURVIVAL.** This Arbitration Provision is intended to be broadly interpreted. In the event of a conflict between the provisions of this Arbitration Provision and the AAA or JAMS rules, or any other terms of the Membership and Account Agreement, the provisions of this Arbitration Provision shall control. If any part of this Arbitration Provision is deemed or found to be unenforceable for any reason, the remainder shall be enforceable, except as provided by the Class Action Waiver. This Arbitration Provision shall survive: (1) the closing of your account(s) and the termination of any relationship between us, including the termination of your Membership and Account Agreement, and (2) any bankruptcy to the extent consistent with applicable bankruptcy law.

**SCOPE JURISDICTION AND VENUE.** Any action or proceeding regarding this Section, your account or this Membership and Account Agreement & Disclosures must be brought in the state where the Credit Union maintains your account. You submit to the personal jurisdiction of that state. Any action or proceeding will be governed by and interpreted in accordance with the Governing Law Section of this Agreement.

Revised 03/2023. The terms stated in this document may change at any time.