



## **New Member Disclosure**

- **GENERAL ACCOUNT TERMS**
- **TRUTH IN SAVINGS DISCLOSURE**
- **ELECTRONIC FUNDS TRANSFER RULES AND REGULATIONS**
- **ELECTRONIC FUNDS TRANSFER DISCLOSURE**
- **FUNDS AVAILABILITY:  
YOUR AVAILABILITY TO WITHDRAW FUNDS**
- **PRIVACY STATEMENT**

*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.*



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## **SHARE/SAVINGS AND CHECKING ACCOUNT RULES AND REGULATIONS**

**DEAR CREDIT UNION MEMBERS:** By signing a Membership Card 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. 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" and "our" mean L & N Federal Credit Union and the words "you" and "your" mean the member(s) who own the account.

**MEMBERSHIP** You are eligible to join the Credit Union provided you live, work, worship, attend school or belong to any legal entity in Jefferson, Oldham, Shelby, Spencer, Trimble, Henry, Bullitt, Laurel, Pulaski, Rockcastle, Whitley or Knox counties in Kentucky and Clark or Floyd 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 or Pendleton counties in Northern Kentucky. 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 opens 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 owner 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 or 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 shall not be changed or terminated by said owners, or any of them except by written notice to said credit union, which shall not effect 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.

#### **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.

Only an individual can be named as P.O.D. payees as trusts, charities, organizations, or associations will not be accepted. 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.

**BOUND BY THESE RULES** Any reference in these rules to an account shall 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 schedule of fees and charges. Please read this disclosure and the schedule carefully, continued use of your account after receipt of these means you agree to the terms of the account and the charges that may be imposed. We will also be bound by these rules but must 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, or mailing a notice in a special mailing. Notice to any one of you is notice to all of you who are legal owners of the account. By your signature you have authorized us to check your financial history.

**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.

**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 then will 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 or Point of Sale (POS) transactions signed 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 check/POS and there is not an amount in the checking account sufficient to cover that transaction, the check/POS will be paid with a transfer from your share account (not to exceed 3 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 balance in the Checking Account, however, the credit union is obligated to pay all POS transactions regardless of account balance; the credit union may, however pay such a check/POS and charge the amount of the resulting overdraft plus a service charge against any other share account from which the person who signed the check/POS is entitled to withdraw shares, or in the event that any of you writes a check/POS which would result in this checking account being overdrawn, and if at that time any of you are eligible to receive advances from this credit union, such checks/POS 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;
- 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 services charges in accordance with the rate schedules 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.

**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 creates an insufficient funds 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; 2nd from a line of credit if one exists; 3rd from Courtesy Pay if service is in force; and 4th from the Schedule as an insufficient fund (NSF) item.

Courtesy Pay is a service that allows the Credit Union to pay a check written, ATM withdrawal, preauthorized debit (ACH) or point of sale CheckCard transaction on your account (only on one account per member) even if it causes the account to become overdrawn. 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 account holder does not have a contractual right to Courtesy Pay and Courtesy Pay is not guaranteed by the Courtesy Pay Program.

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 for more than what is available 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 Schedule. A separate TIS disclosure will be provided at the time you are placed in second chance checking.

**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 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 you do not have sufficient funds on deposit in your account 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.

**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 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 available credit union 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 to at least \$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 if it has an 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), 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 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.

**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 frequency 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.

**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 or 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 Funds Availability section of this disclosure. The current rates are posted in each of our offices 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** We will send you by regular, or electronic, mail a statement of your accounts monthly, if you have a Checking Account and quarterly for all other account types, unless there are no monetary transactions; then you will only receive quarterly or annual statements. 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.

**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. A monthly dormant account charge may be imposed. For checking accounts, if the account remains inactive for 6 months, a \$5.00 per month service fee will be assessed until the account reaches a zero balance and is then closed by the credit union. These accounts will receive no dividends or statements. 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, 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.

By signing the membership application, you agree that the Credit Union may use any phone number provided on the application to initiate calls for Collection purposes. The credit union will not use auto dialers to contact you at any time.

**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. On the Gold Checking accounts, dividends will be figured on the daily balance of \$2000 or more 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. Maintaining a combined balance of \$100.00 or more in the Regular Share/Savings account will avoid the imposition of a dormant account fee. For Checking Accounts, order forms for checks will not be processed unless a balance is available in an amount 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.

**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 if it has an insufficient balance 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 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 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. 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.

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.



**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:

| Call                                   | Write                                                                                                        |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1-502-368-5858<br>Or<br>1-800-292-2905 | Checking Services Manager<br>L & N Federal Credit Union<br>9265 Smyrna Parkway<br>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, you do not have enough money in your account 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 a current amount 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.

#### **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 \$200 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 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 \$600 cash per day per **Debit Card** at an ATM. POS transactions using the **Debit card** may be processed up to \$1000 per day, with a \$1000 maximum single POS transaction. 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 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 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<br>Or<br>1-800-292-2905 | Checking Services Manager<br>L & N Federal Credit Union<br>9265 Smyrna Parkway<br>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.

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<br>Or<br>1-800-292-2905 | Checking Services Manager<br>L & N Federal Credit Union<br>9265 Smyrna Parkway<br>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.

### **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**. (see 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>• Cash</li> <li>• Check</li> </ul>                                                                  |
|                                                                                                 | <ul style="list-style-type: none"> <li>• The same business day</li> <li>• Usually the same day, but see "Longer Days May Apply"</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.

**WHAT IS A "BUSINESS DAY?"** A business day is any day of the week except Saturday, Sunday, and Federal holidays. A deposit made before 5:00 PM EST on a business day is considered deposited that day. A deposit made after that time, or on a day we are closed, is considered deposited the next business day. This includes deposits made in the Night Depositories located on the premises at Credit Union offices.

**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 3 business day hold:

- The first \$200 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 \$5000 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 \$5000 is available on the next business day if deposited with a teller, otherwise 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>•Any remainder over \$5000 is available payable 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 \$200 available same day, balance in 2 business days.</li> </ul>                                               |

To meet the requirements of a specific availability policy disclosure, a bank shall provide a disclosure describing the bank's policy as to when funds deposited in an account are available for withdrawal. The disclosure must reflect the policy followed by the bank in most cases. A bank may impose longer delays on a case-by-case basis or by invoking one of the exceptions.

**DEPOSITS AT AUTOMATED TELLER MACHINES**

**OUR ATM** For ATMs that we own or operate funds from any deposits (cash or checks) made prior to 1:30 PM EST on a business day will be handled under the general rules for other deposits. Deposits made after 1:30 PM EST may not be available until the next business day after the day of your deposit.

All ATMs that we own or operate are identified as our 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 eleventh business day after the day of your deposit.

**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 procedure 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.

02/2016 Terms stated in this document may change at any time.