



**PASADENA**  
FEDERAL CREDIT UNION

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*About Your*  
**Credit Union**  
**Accounts**

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Savings Accounts

Checking Accounts

Certificate Accounts

Electronic Fund Transfers

Funds Availability

Unclaimed Property Law

Account Agreements

Arbitration and Waiver  
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# YOUR TRUTH-IN-SAVINGS DISCLOSURE

To open your account, complete the appropriate account card and return it to our Member Services Representative. Please read this brochure completely and retain it with your personal records.

*All agreements and disclosures shall be construed in accordance with the provisions of the California Uniform Commercial Code (UCC). Share "savings" accounts, share draft "checking" accounts and share certificate "certificate" accounts are subject to the requirements below and such other terms and conditions as established by the Board of Directors and as contained in the account agreements.*

**Please note that this Agreement contains a BINDING INDIVIDUAL ARBITRATION PROVISION AND JURY AND CLASS ACTION WAIVER which affects your rights with respect to any claims or disputes by or against the Credit Union. You may opt out of that provision as described on page 24.**



## INFORMATION REGARDING MEMBER IDENTIFICATION

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**What this means for our Members:** When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying objects.

## GENERAL INFORMATION ABOUT ALL OF OUR ACCOUNTS

### MEMBERSHIP AND PAR VALUE

The par value of a share in the Pasadena Federal Credit Union is \$5. To join Pasadena Federal Credit Union and to open additional accounts you must pay a one-time, non-refundable \$5 Membership Fee.

### ACCRUAL OF DIVIDENDS

Dividends begin to accrue on the business day you deposit cash or non-cash items (e.g., checks) to your account if deposited before the close of business. If you close your savings, Advantage Checking or certificate account before dividends are credited, you will not receive accrued dividends on amounts less than \$1.

### DIVIDEND RATES

The dividend rate and Annual Percentage Yield on our savings, Advantage Checking, and certificate accounts are stated on the Rate Schedule accompanying this Disclosure. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

### BALANCE INFORMATION

We compute the balance in our savings, Advantage Checking and certificate accounts to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

### BYLAW REQUIREMENTS

The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board.

A member who fails to complete payment of one share within 6 months of his admission to membership, or within 6 months from the increase in the par value in shares, or a member who reduces his share balance below the par value of one share and does not increase the balance to at least the par value of one share within 6 months of the reduction may be terminated from membership at the end of a dividend period.

Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. No transfer of voting rights or other membership privilege is permitted by virtue of transfer to or co-ownership of shares by nonmembers. The Credit Union reserves the right, at any time, to require members to give, in writing, not less than 7 days and 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 for security on loans without the written approval of the loan review committee, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is co-maker, endorser, or guarantor are delinquent, without the written consent of the loan review committee.

## SAVINGS ACCOUNTS

### ➔ ***General Terms Applicable to All Savings Accounts***

#### **SAVINGS ACCOUNT AGREEMENT**

##### **TRANSFERS TO THIRD PARTIES**

No more than six withdrawals or transfers may be made from each savings or Super Variable account (except Money Market Advantage Account) or to a third party by means of a pre-authorized, automatic, online or telephonic transfer in any calendar month or no more than six (6) transfers may be made by check, draft, debit card or similar order payable to a third party. If you exceed, or attempt to exceed, the six (6) withdrawal or transfer limits, the excess withdrawal or transfer requests may be refused or reversed, a fee may be imposed on the excess withdrawal or transfer request, and the Credit Union may reclassify or close your account. Transfers initiated by telephone are counted among the six (6) monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

*Refer to the Money Market Advantage Account section for information regarding limitations specific to that account.*

##### **WITHDRAWALS, PRIOR NOTICE REQUIREMENT**

The Credit Union reserves the right to require prior written notice of intention to withdraw all or any part of shares not to exceed the notice requirement as set forth in the Credit Union's bylaws.

##### **RATE INFORMATION**

Our savings accounts are designated as variable rate accounts on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

### ➔ ***Specific Types of Savings Accounts***

Pasadena Federal Credit Union's savings accounts let you deposit your money in a savings account and withdraw your money generally at any time (refer to individual accounts for specific limitations). Our savings accounts are the Regular Savings, Club Accounts including the Tax Club, Vacation Club, Education Club, and Christmas Club. Other savings accounts are the Kids Club Account, Youth Savings Account, Super Variable Account and Money Market Advantage Account.

### ➔ ***About Our Regular Savings Accounts***

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded quarterly and will be credited quarterly. For the Regular Savings the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Regular Savings account is \$5. The minimum balance required to obtain the disclosed Annual Percentage Yield is stated on the Rate Schedule. You must maintain a minimum balance of \$5 in your Regular Savings account to avoid closure.

### ➔ ***About Our Club Accounts***

Pasadena Federal Credit Union offers Club accounts for its members wanting to save for seasonal events. Each Club account has a specific maturity date depending on the purpose. Club accounts may be opened at any time. Our Club accounts are the Tax Club, Vacation Club, Education Club, and Christmas Club.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will not be compounded and will be credited annually at maturity of the Club account. For example, the beginning date of the first dividend period of the calendar year for the Tax Club Account is February 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. Each Club account has a specific annual dividend period depending on type and maturity date. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Club account is \$5. The minimum balance required to obtain the disclosed Annual Percentage Yield is stated on the Rate Schedule. You must maintain a minimum balance of \$5 in your Club account to avoid closure.

#### **TRANSACTION LIMITATIONS**

Your Club account may be opened at any time. Funds will be disbursed to you within 10 days of maturity. The Club account maturity dates are as follows; Tax Club is January 31, Vacation Club is April 30, Education Club is July 31, and the Christmas Club is October 31. No withdrawals may be made prior to the maturity of the Club account. If a withdrawal is necessary, a penalty fee will be assessed as described on the accompanying Fee Schedule.

### **➔ *About Our Kids Club Account***

The Kids Club Account is available to eligible members between the ages of 0 to 12 years old. Upon reaching 12 years of age, the Kids Club Account will convert to the Youth Savings Account.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded quarterly and will be credited quarterly. For the Kids Club, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Kids Club account is \$5. The minimum balance required to obtain the disclosed Annual Percentage Yield is stated on the Rate Schedule. You must maintain a minimum balance of \$5 in your Kids Club account to avoid closure.

### **➔ *About Our Youth Savings Accounts***

The Youth Savings Account is available to eligible members between the ages of 12 to 18 years old. Upon reaching 18 years of age, the Youth Savings Account will convert to the Regular Savings Account.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded quarterly and will be credited quarterly. For the Youth Savings, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Youth Savings account is \$5. The minimum balance required to obtain the disclosed Annual Percentage Yield is stated on the Rate Schedule. You must maintain a minimum balance of \$5 in your Youth Savings account to avoid closure.

### **➔ *About Our Super Variable Accounts***

#### **RATE INFORMATION**

The Super Variable Account is designated a tiered variable rate account on the Rate Schedule. This rate and yield may change as determined by the Credit Union Board of Directors.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. For the Super Variable Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Super Variable Account is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain the minimum balance as stated on the Rate Schedule to avoid closure.

#### **➔ *About Our Money Market Advantage Accounts***

##### **BALANCE COMPUTATION METHOD**

Dividends are computed on the daily balance in your Money Market Advantage Account. The daily balance is the balance in your account at the end of each business day after all deposits and withdrawals.

##### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. For the Money Market Advantage Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Money Market Advantage Account is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain a minimum balance stated on the Rate Schedule in your Money Market Advantage Account to avoid closure.

##### **TRANSACTION LIMITATIONS**

No more than six withdrawals or transfers may be made from your Money Market Advantage Account or to a third party by means of a pre-authorized, automatic, online or telephonic transfer in any calendar month or no more than six (6) transfers may be made by a Credit Union issued cashier's check or teller check, member-written check\*, debit card or similar order payable to a third party. If you exceed, or attempt to exceed, the six (6) withdrawal or transfer limits, the excess withdrawal or transfer requests may be refused or reversed, a fee may be imposed on the excess withdrawal or transfer request, and the Credit Union may reclassify or close your account. Transfers initiated by telephone are counted among the six (6) monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

*\* On the Money Market Advantage Account, you may issue up to three (3) member-written checks in any calendar month at no charge. You will be assessed a fee for each member-written check withdrawal presented in excess of three (3), as stated on the Fee Schedule. Each member-written check withdrawal will count as one of the six (6) permissible withdrawals or transfers.*

##### **ACCOUNT LIMITATIONS**

Funds in the Money Market Advantage Account may not be pledged as collateral for a loan, transferred, or assigned to any party other than the Credit Union.

## **CHECKING ACCOUNTS**

#### **➔ *General Terms Applicable to All Checking Accounts***

##### **CHECKING ACCOUNT AGREEMENT**

##### **WITHDRAWALS, APPROVED METHODS**

Only check blanks and other methods approved by the Credit Union may be used to withdraw funds from a checking account.

##### **ELECTRONIC CHECK CONVERSION**

Upon prior notification from the merchant to the Account Holder, a purchase made with a share draft or check can be converted to a one-time electronic fund transfer (EFT) if authorized by the Account Holder. The Account Holder may also authorize merchants to electronically debit the account for returned check fees. It is agreed that the Account Holder authorizes the electronic funds transfers if the transaction is completed after being told (orally or by a notice posted) that the transfer may be processed electronically or if the Account Holder signs a written authorization.

##### **DEMAND DRAFTS**

The Credit Union may pay and charge to the applicable checking account, checks drawn by and payable to any person, organization, association or corporation that has been authorized by an Account Holder to be paid, by the provision of MICR encoded information on the account. It is agreed that the Credit Union's rights

in respect to such checks shall be the same as if it were a check drawn and signed by an Account Holder(s) personally. This authority shall remain in effect until revoked by an Account Holder in writing. It is agreed that the Credit Union shall be fully protected in honoring such checks. It is further agreed that if any such check is dishonored, whether with or without cause, and whether intentionally or inadvertently, the Credit Union shall incur no liability whatsoever, even though such dishonor results in the forfeit of insurance, loss or damage of any kind.

#### **OVERDRAFTS**

The Credit Union is under no obligation to pay a check which exceeds the balance in an account; the Credit Union may, however, pay such a check and recover or obtain a refund of the amount of the resulting overdraft plus a service charge from any of the Account Holders of this account, each of whom expressly agrees that each Account Holder is jointly and severally liable for any and all overdrafts of this account and any and all associated costs created by any Account Holder.

#### **STALE-DATED CHECKS**

The Credit Union is under no obligation but may pay a check which is presented more than six (6) months after it is dated. The Credit Union may assess a special handling charge upon receipt of any such item in addition to a service charge upon the account in accordance with the fee schedules adopted by the Credit Union and as amended from time to time.

#### **STOP PAYMENTS**

Any Account Holder(s) of this account may stop payment of any item drawn against the account. The Stop Payment Order must describe the item with reasonable certainty and must be received in such time and manner as to afford the Credit Union a reasonable opportunity to act upon it. A Stop Payment Order is effective for six (6) months, but it lapses after fourteen (14) calendar days if the original order was oral and was not confirmed in writing within that fourteen (14) day period. The Stop Payment Order may be renewed in writing for an additional six (6) month period.

#### **TRUNCATION OF CHECKS**

The Account Holder(s) acknowledges that checks are truncated and hereby waives any and all rights to receive the items without prejudice to any of the Credit Union's defenses available under the California Uniform Commercial Code (UCC).

#### **LIABILITY OF CREDIT UNION**

Except for its own lack of good faith or failure to exercise ordinary care, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a check, even if nonpayment results in the forfeit of insurance, loss or damage of any kind.

#### **CLOSURE OF ACCOUNT**

The Credit Union may close a checking account at any time. Closure of a checking account will not affect the obligation to pay any outstanding balances or charges owed.

#### **FOR CHECKING ACCOUNTS WITH SHARE OVERDRAFT PROTECTION**

If any Account Holder(s) writes a check, conducts an electronic transaction, or is assessed a service fee as stated on the Fee Schedule that would result in this Checking Account being overdrawn, the Credit Union is authorized to charge the designated savings account(s), regardless of which party signed the item, conducted the electronic transaction, or charged the service fee, in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the check, electronic transaction, or service fee and to credit such charge to this Checking Account. No check, electronic transaction or service fee overdraft may be paid by charging a savings account if, as a result of such charge, that savings account would be subject in any one month to more than six pre-authorized, automatic or telephonic transfers.

#### **FOR CHECKING ACCOUNTS WITH LOAN OVERDRAFT PROTECTION**

If any Account Holder(s) writes a check, conducts an electronic transaction, or is assessed a service fee as stated on the Fee Schedule that would result in this Checking Account being overdrawn, and if at that time any Account Holder(s) is eligible to receive loan advances from this Credit Union on a loan designated on the Overdraft Agreement, the Credit Union is authorized to make an advance from the designated loan account, and to credit the advance to this Checking Account in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor such check, electronic transaction, and any service fees.

#### **➡ *Specific Types of Checking Accounts***

Pasadena Federal Credit Union offers the following checking accounts which let you withdraw your money and write checks against your account at any time. Our checking accounts are the Direct Checking, Classic Checking, Student Checking, Advantage Checking and e-Checking.

### ➔ ***About Our Direct Checking Accounts***

The Direct Checking Account is a non-dividend earning account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Direct Checking Account is \$25. A recurring direct deposit with a minimum of \$50 a month is required to maintain this account. If the direct deposit is cancelled, the account will be transferred to a Classic Checking.

### ➔ ***About Our Classic Checking Accounts***

The Classic Checking Account is a non-dividend earning account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Classic Checking Account is \$50. You must maintain a minimum daily balance of \$300 in your Classic Checking Account to avoid a monthly service fee as stated on the accompanying Fee Schedule. The monthly service fee may also be waived under other conditions. Please refer to the Fee Schedule for a list of conditions.

### ➔ ***About Our Student Checking Accounts***

The Student Checking Account is available to eligible members between the ages of 13 to 25 years old. Upon reaching 25 years of age, the Student Checking Account will convert to the Classic Checking Account.

The Student Checking Account is a non-dividend earning account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Student Checking account is \$5.

#### **ACCOUNT LIMITATIONS**

A parent or legal guardian must be a joint owner on the account in order for members under 18 years of age to obtain a Debit Card.

### ➔ ***About Our Advantage Checking Accounts***

#### **RATE INFORMATION**

Our Advantage Checking Account is designated a variable rate account on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. For the Advantage Checking Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Advantage Checking is \$100. You must maintain a minimum daily balance of \$800 in your Advantage Checking Account to avoid a monthly service fee as stated on the accompanying Fee Schedule. The monthly service fee may also be waived under other conditions. Please refer to the Fee Schedule for a list of conditions.

### ➔ ***About Our e-Checking Accounts***

The e-Checking Account is offered to members who are enrolled in the Internet Banking service and have elected to receive electronic statements (e-statements).

The e-Checking Account is a non-dividend earning account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your e-Checking Account is \$25.

#### **ACCOUNT LIMITATIONS**

If you terminate the Internet Banking and/or e-statement services, your account will be transferred to a Classic Checking account.



# CERTIFICATE ACCOUNTS

## ➔ *General Terms Applicable to All Certificate Accounts*

### **CERTIFICATE ACCOUNT AGREEMENT**

#### **PLEDGING OF FUNDS**

Certificates may not be pledged, transferred, or assigned to any party other than the Credit Union unless otherwise provided by statute. Shares invested in a Traditional IRA Certificate, Roth IRA Certificate, Coverdell Education Saving Certificate or Keogh Plan may not be pledged as security for any loan. The Credit Union reserves the right to offset this certificate except as otherwise precluded by law. If the Credit Union offsets funds from this certificate, the funds withdrawn are subject to the early withdrawal penalty.

#### **ANNUAL PERCENTAGE YIELD**

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

#### **MATURITY**

The maturity date will be stated on your receipt or the certificate provided to you at the time of opening your account.

#### **RENEWAL OF ACCOUNT/GRACE PERIOD**

Your account will automatically renew at maturity for the same period as the original term at the prevailing rate unless you withdraw all of the funds in your account at maturity or within a grace period of 7 days of maturity. The maturity date is counted as day 1 of the 7 day grace period.

#### **EARLY WITHDRAWAL PENALTY**

We may impose a penalty if you withdraw any of the principal from your account before the maturity date. The penalty imposed shall be as follows:

If the term of the account is one year or less, the member shall forfeit an amount equal to:

- a. all dividends for 90 days on the amount withdrawn, or
- b. all dividends on the amount withdrawn since the date of issuance or renewal, whichever is less, or
- c. if a withdrawal reduces the balance below the required minimum, the account shall be closed and a loss of dividends as in a or b above, whichever is less, will be assessed on the entire amount in the account.

Dividends may be withdrawn during the term of the certificate with no penalty.

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

- a. all dividends for 180 days on the amount withdrawn, or
- b. all dividends on the amount withdrawn since the date of issuance or renewal, whichever is less, or
- c. if a withdrawal reduces the balance below the required minimum, the account shall be closed and a loss of dividends as in a or b above, whichever is less, will be assessed on the entire amount in the account.

#### **EXCEPTIONS TO PENALTIES**

The penalties stated above will not apply if:

1. The withdrawal is made subsequent to the death of any owner of the certificate account, or is made pursuant to the Credit Union's bylaws.
2. The certificate account is part of a pension plan which qualifies or is qualified for specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability or upon attaining not less than 59 1/2 years of age, or
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the account.

#### **RATE INFORMATION**

Our Certificate is designated as a fixed rate account on the Rate Schedule. You will be paid this rate and yield until maturity.

#### **DIVIDEND COMPOUNDING AND CREDITING**

For the Certificate the dividend period is monthly. Dividends will be compounded monthly and will be credited monthly and at maturity.

## ➔ ***Specific Types of Certificate Accounts***

Pasadena Federal Credit Union's Certificate accounts let you deposit your money for a specified period of time. Our Certificate accounts are the Regular Certificate, Traditional IRA Certificate, Roth IRA Certificate, and Coverdell Education Savings Certificate Accounts. All Certificate accounts are offered with terms ranging from three (3) months to sixty (60) months.

## ➔ ***About Our Regular Certificate Accounts***

### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your Certificate is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

### **ACCOUNT LIMITATIONS**

You may make deposits into this account in increments of \$1,000 or more until the maturity date.

## ➔ ***About Our Traditional IRA Certificate, Roth IRA Certificate and Coverdell Education Savings Certificate Accounts***

### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open your IRA Certificate is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

### **ACCOUNT LIMITATIONS**

You may make deposits into this account in increments of \$1,000 or more until the maturity date.

### **INCORPORATION OF IRA AGREEMENT AND DISCLOSURES**

All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

## **ELECTRONIC FUND TRANSFERS DISCLOSURE AND AGREEMENT**

This EFT Disclosure and Agreement as amended from time to time ("Agreement") sets forth the terms and conditions governing the use of the Pasadena Federal Credit Union electronic transfer services. Disclosure information that applies to all electronic services offered by Pasadena Federal Credit Union is given below, followed by specific disclosure information for each service. This Agreement takes the place of all prior agreements and disclosures governing the use of all electronic services. By retaining, using, or allowing others to use the electronic services offered by Pasadena Federal Credit Union, you are agreeing to be bound by the terms and conditions of this Agreement. In this Agreement, the term "you" and "your(s)" refer to the member, and the terms "we," "us" and "our(s)" refer to Pasadena Federal Credit Union.

### **PERSONAL IDENTIFICATION NUMBER**

The Credit Union will issue you a Personal Identification Number (PIN) that must be used with the ATM/Debit Card transactions that require the use of a PIN. This number should be memorized-DO NOT write it on your ATM/Debit Card. After memorizing your PIN, you should destroy the notice disclosing your PIN. If you forget your PIN, contact the Credit Union and we will issue you a new one.

### **RIGHT TO RECEIVE DOCUMENTATION OF TRANSACTIONS**

You will get a monthly account statement reflecting all of your transactions unless there is no activity in a particular month. In any case you will get the statement at least quarterly. Depending on the terminal, or if the transaction is \$15 or less, you may receive a receipt at the time you make a transaction at a terminal. If you do receive a receipt, retain the receipt to compare with your monthly statement from the Credit Union.

### **YOUR LIABILITY FOR LOST, STOLEN OR UNAUTHORIZED TRANSACTIONS INVOLVING AUTOMATED TELLER MACHINE (ATM) CARDS**

Tell us AT ONCE if you believe your ATM Card and/or Personal Identification Number (PIN) has been lost or stolen, or if you believe that an electronic transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit if you have one with us). If you tell us within two (2) business days, you can lose no more than \$50 if someone used your ATM Card or PIN without your permission. If you DO NOT tell us within two (2) business days after you learn of the loss or theft of your

ATM Card or PIN, and we can prove that we could have stopped someone from using your ATM Card or PIN without your permission if you had told us, you could lose as much as \$500. 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 sent 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 periods. If you have authorized someone else to use the ATM Card and/or PIN, you are responsible for all transactions that person or persons initiates at any time, even if the amount or transactions exceed what you may have authorized.

#### **YOUR LIABILITY FOR LOST, STOLEN OR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARDS**

Tell us AT ONCE if you believe your Debit Card and/or Personal Identification Number (PIN) has been lost or stolen or if your statement shows an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit if you have one with us). If you tell us within 60 days of our sending your statement, you can lose no more than \$50 if someone used your debit card without your permission. If you do not tell us within 60 days after the statement was sent to you, you may not get back any money you lost after the close of the 60 days and before notice to us. If your delay in notifying us was due to extenuating circumstances beyond your reasonable control, including extended travel, your or a member of your family's death or serious illness, hospitalization, permanent mental impairment or serious physical impairment, unless the circumstance did not reasonably contribute to your delay in notifying us within the 60-day period, we will extend the 60-day period by a reasonable period.

#### **SPECIAL NOTICE TO VISA DEBIT CARDHOLDERS**

If there is an unauthorized use of your VISA Debit Card or a Plus network or Interlink transaction, and the transaction takes place on the VISA network, then your liability will be zero (\$0.00). This provision limiting your liability does not apply to VISA Corporate Card or VISA Purchasing Card Transactions, ATM cash disbursements processed on non-VISA or non-Plus networks, or non-VISA PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law, if the Credit Union reasonably determines, based on substantial evidence, that you were grossly negligent or fraudulent in the handling of your account or card. In any case, to minimize your potential liability you should notify us of any unauthorized use no later than 60 days after your statement was mailed to you.

#### **HOW TO NOTIFY THE CREDIT UNION IN THE EVENT OF AN UNAUTHORIZED TRANSACTION**

If you believe your ATM Card, Debit Card or PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, call us at 626.799.0882 or write to us at P. O. Box 7132, Pasadena, CA 91109-7132.

You should also call the number or write to the address listed above if you believe a transfer has been made using information from your check without your permission.

#### **BUSINESS DAYS**

Our business days are Monday through Friday, excluding holidays.

#### **OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS**

If we do not complete a transaction to or from your savings or checking 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:

- a) through no fault of ours, you do not have enough money in your account to make the transaction;
- b) the transaction would go over the credit limit on your credit line;
- c) the terminal where you were making the transaction did not have enough cash;
- d) the ATM or network system was not working properly and you were aware of the malfunction when you started the transaction;
- e) circumstances beyond our control (such as fire, flood, power failure, or computer down-time) prevented the transaction, despite reasonable precautions that we have taken;
- f) the money in your account is subject to an uncollected funds hold, legal process or any other encumbrance or agreement restricting a transaction;
- g) your ATM Card or Debit Card has expired, is damaged so that the terminal cannot read the encoding strip, is inactive or because your PIN has been entered incorrectly;
- h) your ATM Card or Debit Card or PIN has been reported lost or stolen and we have blocked the account; or
- i) the failure to complete the transaction is done to protect the integrity of the system or to protect the security of your account.

There may be other exceptions not specifically mentioned above.

### **IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS**

Telephone us at 626.799.0882 or write us at P. O. Box 7132, Pasadena, CA 91109-7132 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. You should also call the number or write to the address listed above if you believe a transfer has been made using information from your check without your permission. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

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

We will tell you the results of our investigation within 10\* business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45\*\* days to investigate your complaint or question. If we decide to do this, we will 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 our investigation. (If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within 5 business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within 10 business days.) If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

If we decide that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

\* If you give notice of an error within 30 days after you make the first deposit to your account, we will have 20 business days instead of 10 business days.

\*\* If you give notice of an error within 30 days after you make the first deposit to your account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S. its possessions and territories, we will have 90 days instead of 45 days to investigate.

### **CHARGES**

In order to obtain the electronic services listed, you must open and maintain a savings or checking account. All charges associated with our electronic fund transactions are disclosed in our Rate and Fee Schedule.

### **DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES**

We will disclose information to third parties about your account or the transfers you make:

- a) when it is necessary to complete the transaction;
- b) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- c) in order to comply with government agency or court orders or other legal process; or
- d) if you give us your prior oral or written permission.

### **ADDRESS CHANGE**

Keep the Credit Union informed of your current address or e-mail address to insure correct mailing of monthly statements.

### **AMENDMENTS**

The Credit Union may change the terms and conditions of this Agreement from time to time by sending written notice to your address or e-mail address as it appears on our records. If any change results in greater cost or liability to you or decreases access to your Accounts, you will be given at least twenty-one (21) days prior notice of the change. Prior notice may not be given where an immediate change in terms or conditions is necessary to maintain the integrity of the system and/or the security of ATM Cards, Debit Cards or designated accounts.

### **TERMINATION**

You may terminate this Agreement with us at any time. The Credit Union reserves the right to terminate this Agreement and/or your use of your ATM Card, Debit Card or PIN with or without cause. We may do so immediately if:

- a) you or any authorized user of your ATM Card, Debit Card, PIN or account breaches this or any other agreement with the Credit Union;

- b) we have reason to believe that there has been, or might be, an unauthorized use of your ATM Card or Debit Card, PIN or account; or
- c) you or any authorized user of your ATM Card or Debit Card, PIN or account request that we do so.

#### **ATTORNEYS' FEES**

You agree to pay the Credit Union all of our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement.

#### **ADDITIONAL BENEFITS/CARD ENHANCEMENTS**

The Credit Union may from time to time offer additional services to your Account. Some may be at no additional cost to you and others may involve a specified fee. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

#### **WAIVER OF RIGHTS**

The Credit Union can delay enforcing any of the provisions under this Agreement or the law any number of times without losing its right to enforce them at a later date.

#### **OTHER AGREEMENTS**

Except as stated otherwise in the Agreement, this Agreement does not alter or amend any of the terms or conditions of any other agreement you may have with the Credit Union.

#### **SEVERABILITY**

If any part of this Agreement should be held to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

#### **WHO IS BOUND BY THIS AGREEMENT**

Each person who signs the Application agrees to be bound by the terms and conditions of this Agreement. If more than one person signs the application, all signers are jointly and severally liable. The Credit Union can waive or delay enforcement of its rights as to one signer without affecting its ability to enforce its rights as to the other signers. The Agreement is also binding upon your heirs, personal representatives and successors.

#### **SIGNATURES**

By using your access to the system, or authorizing anyone else to use your access to the system, and/or by signing the application, you agree to be bound by the terms and conditions of this Agreement and Disclosure.

#### **CONSUMER REPORTS**

The Credit Union makes credit available to its members on a regular basis. The Applicant(s)/Account Holder(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the Applicant(s)/Account Holder(s), including but not limited to applying for membership, the opening of a savings or checking account or the issuance of an ATM Card, Debit Card, or other service provided by the Credit Union, and the Applicant(s)/Account Holder(s) of the account authorize any person, association, or corporation to furnish on request of this Credit Union, information concerning the affairs of the Applicant(s)/Account Holder(s). The Applicant(s)/Account Holder(s) also authorizes the Credit Union to furnish information concerning the account to consumer reporting agencies.

### **➡ *Additional Disclosure Applicable to ACH Services***

#### **DOCUMENTATION OF DIRECT DEPOSIT**

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 626.799.0882 to find out whether or not the deposit has been made. If the only possible transfers to or from your account are direct deposits or preauthorized deposits, you will get at least a quarterly statement from us.

#### **DISCLOSURE OF RIGHT TO STOP PAYMENT**

- a. Right to stop payment and procedure for doing so.

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at 626.799.0882, or write to us at P. O. Box 7132, Pasadena, CA 91109-7132, in time for us to receive your request three 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.

b. Notice of varying amounts.

If these regular payments vary in amount, the person you are going to pay will tell you 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

**TRANSACTIONS AVAILABLE**

You may use your ACH services to perform the following transactions:

- Make deposits to your savings, checking, or Super Variable accounts;
- Make loan payments;
- Pay bills directly from your checking account in the amounts and on the days you request.
- Authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to create a sight draft to pay bills or pay for purchases; and
- Authorize a merchant or other payee to debit your share draft/checking account for returned check fees or returned debit entry fees.

All payments and deposits are subject to later verification by us.

**LIMITATIONS ON TRANSACTIONS**

The following are limitations to the use of the ACH service:

- No more than six withdrawals or transfers may be made from each savings or Super Variable account (except Money Market Advantage Account) or to a third party by means of a pre-authorized, automatic, online or telephonic transfer in any calendar month or no more than six (6) transfers may be made by check, draft, debit card or similar order payable to a third party. If you exceed, or attempt to exceed, the six (6) withdrawal or transfer limits, the excess withdrawal or transfer requests may be refused or reversed, a fee may be imposed on the excess withdrawal or transfer request, and the Credit Union may reclassify or close your account. Transfers initiated by telephone are counted among the six (6) monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

*Refer to the Money Market Advantage Account section for information regarding limitations specific to that account.*

**➔ Additional Disclosures Applicable to ATM and POS Services**

**RULES FOR USE**

By using your ATM Card with your personal identification number (PIN) at automated teller machines ("ATM's") or other electronic terminals operated by a participating institution, network system, or company (collectively "terminals"), you authorize us to effect the transactions from or to your savings or checking account(s) in accordance with the instructions given at the terminals. All ATM Card transactions are subject to the terms and conditions of your account agreements with us governing the affected accounts.

**ATM FEES**

When you use an ATM not owned by Pasadena Federal Credit Union, you may be charged a fee by the ATM operator and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. A fee will not be imposed for use of an ATM Card or Debit Card issued by Pasadena Federal Credit Union for use of an electronic terminal operated by Pasadena Federal Credit Union.

**TRANSACTIONS AVAILABLE**

You may use your ATM Card to perform the following transactions:

- Make deposits to your savings or checking account;
- Withdraw cash from your savings or checking account;
- Transfer funds between your savings, checking and line of credit account;
- Make point-of-sale payments for goods and services to others from your checking account; and
- Make account balance inquiries.

Some of the transactions listed above may not be available at all terminals. All payments and deposits are subject to later verification by us.

**LIMITATIONS ON TRANSACTIONS**

You may make ATM cash withdrawals of \$500 and POS transactions up to \$1,000 each 24-hour period as long as your available balance will cover the transaction. Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth herein. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM.

## ACCESS CARDS

All ATM Cards and Debit Cards are non-transferable and belong to the Credit Union. The Credit Union may cancel, modify and restrict the use of any ATM Card or Debit Card upon proper notice or without notice if your account is overdrawn or where necessary to maintain or restore the security of accounts on the ATM system or if you are in breach of any agreement with us.

## FOREIGN TRANSACTIONS

**Foreign Transactions in Foreign Currency-** Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency will be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by VISA from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1%) fee charged by the Issuer.

**Foreign Transactions in U.S. Currency-** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Transactions processed outside of the United States, in U.S. dollars, will be charged a foreign transaction fee of point eight percent (.8%), regardless of whether there is a currency conversion associated with the transaction.

**Foreign Transaction Fees-** You may be charged a surcharge/access fee for ATM or over-the-counter cash disbursement transactions initiated outside of the U.S. region. The amount of the fee will depend upon the location of the ATM or cash disbursement party.

## ATM SAFETY

An ATM provides a quick and convenient way to access your money. However, use caution and remember the following safety tips whenever you use an ATM:

- Be aware of the surroundings, particularly at night.
- Look for well-lighted ATM's when transacting at night.
- If you notice anything suspicious when approaching the ATM, return later or use another ATM.
- Have your transaction ready before you go to the ATM. When you can, fill out any deposit envelopes before leaving your vehicle.
- Have your ATM Card or Debit Card ready, to avoid going through your purse or searching through the contents of your wallet at the ATM site.
- If you notice anything suspicious while you are transacting business, immediately stop your transaction, put your ATM Card or Debit Card away and leave.
- Consider having another person accompany you to the ATM.
- Immediately report all crimes to the ATM operator and to local law enforcement officials.
- Stand close to the ATM and away from others in line to avoid detection of your PIN or other account information.
- Put your cash away as soon as the transaction is complete; count the cash later in the safety of your vehicle or home.
- Never give information to strangers at the ATM or to anyone over the phone. Be aware of fraud or people who pose as Credit Union employees who try to get information from you. This information should only be discussed in person by you at the Credit Union.
- Remember to keep your PIN a secret. Make sure not to write it on your ATM Card or Debit Card or anywhere else in your wallet; thieves can easily figure out the reason for "hidden" or "secret" numbers.

## ➡ ***Additional Disclosures Applicable to Audio Response***

### TRANSACTIONS AVAILABLE

You may use your Audio Response Service to perform the following transactions:

- Obtain account, and loan balances;
- Obtain loan payment due date and pay off information;
- Obtain last dividend, date and amount;
- Obtain clearance of specific checks;
- Request a check withdrawal from your savings, checking, or line of credit account;
- Transfer funds between your savings and checking accounts;
- Access your line of credit account to request loan advances; and
- Make loan payments.

All payments and deposits are subject to later verification by us.

## **TRANSACTION LIMITATIONS**

The following are limitations to the use of the Audio Response service:

- The maximum amount you may withdraw by check is \$10,000 during any 24-hour period.
- The maximum transaction amount is \$10,000 during any 24-hour period.
- No more than six withdrawals or transfers may be made from each savings or Super Variable account (except Money Market Advantage Account) or to a third party by means of a pre-authorized, automatic, online or telephonic transfer in any calendar month or no more than six (6) transfers may be made by check, draft, debit card or similar order payable to a third party. If you exceed, or attempt to exceed, the six (6) withdrawal or transfer limits, the excess withdrawal or transfer requests may be refused or reversed, a fee may be imposed on the excess withdrawal or transfer request, and the Credit Union may reclassify or close your account. Transfers initiated by telephone are counted among the six (6) monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

*Refer to the Money Market Advantage Account section for information regarding limitations specific to that account.*

## **➔ Additional Disclosures Applicable to Debit Card Services**

### **ISSUANCE OF CARD**

"Card" means the Pasadena Federal Credit Union VISA Debit Card and any duplicates, renewals or substitutions the Credit Union issue to you; "Account" means the account designated on the application for your Debit Card.

### **RESPONSIBILITY FOR TRANSACTIONS**

You are responsible for all transactions you make with the Card or that you authorize another person to make with the Card. You understand that if you disclose your Debit Card PIN to anyone, they will have access to all accounts identified by your account number. If the Account is a joint account, all transactions involving the account are binding on all Account holders.

### **MERCHANT DISPUTES**

For POS transactions directly accessing a line of credit, the Credit Union is not responsible for the refusal of any merchant or financial institution to honor the card. The Credit Union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider and (a) your purchase was made in response to an advertisement the Credit Union sent or participated in sending to you or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

### **LIMITATIONS ON DOLLAR AMOUNTS AND FREQUENCY OF TRANSACTIONS**

Purchases made above the floor limit of the merchant will require an authorization number from VISA. You may make VISA Debit Card transactions up to \$2,500 in each 24-hour period as long as your available balance will cover the transaction.

### **USE OF THE CARD**

You may use the Card and PIN to:

- Withdraw cash from your Account and Line of Credit at ATMs, merchants, or financial institutions that accept VISA Debit Cards;
- Transfer funds between your Account and another account you have with the Credit Union; and
- Make deposits to one of your accounts at the Credit Union.

You may use the Card without the PIN to:

- Purchase goods or services at places that accept VISA Debit Cards (these are point-of-sale or POS transactions);
- Order goods or services by mail or telephone from places that accept VISA Debit Cards;
- Order goods or services without a PIN by mail, online, or telephone at merchants who offer the payment transactions processed through the STAR, PULSE, CO-OP, ACCEL/Exchange or any other Debit Card network; and
- Make automatic payments from your Account to pay bills or other charges, providing that the person or organization that you are paying agrees to accept payments this way.

Some of these services may not be available at all terminals.



Use of the Card, the Account number on the Card, the PIN or any combination of the three for payments, purchases, or to obtain cash from merchants, financial institutions or others who honor VISA Debit Cards is an order by you for the withdrawal of the amount of the Transaction from your Account. Each Transaction with the Card will be charged to your Account on the date the Transaction is posted to your Account. When the Credit Union receives notification of a Debit Card transaction, it will put a hold on an equivalent amount of funds in your checking account for 3 days or until the day the transaction is charged to your account.

All Card transactions covered by this Agreement are subject to the terms and conditions of your Account agreements with us governing the affected Accounts, except as modified by this Agreement. Any future changes to your Account agreements may affect the use of the card.

#### **ILLEGAL USE OF VISA DEBIT CARD**

You agree that your VISA Debit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

#### **OVERDRAFTS**

You promise to pay the Credit Union immediately upon demand for any negative (overdraft) balance arising in your Account, unless you have available overdraft privileges. If you do not have overdraft privileges, the Credit Union may deduct the amount of any overdraft on your Account from any other account you have with the Credit Union, except an Individual Retirement Account.

#### **REFUSAL TO HONOR CARD**

The Credit Union is not liable for the refusal or inability of any electronic terminal to honor the Card or to complete a withdrawal from your Account, or for their retention of the Card. The Credit Union is also not responsible for the refusal of any merchant or financial institution to honor the Card or for their retention of the Card.

#### **FOREIGN TRANSACTIONS**

**Foreign Transactions in Foreign Currency-** Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency will be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by VISA from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate VISA itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1%) fee charged by the Issuer.

**Foreign Transactions in U.S. Currency-** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. Transactions processed outside of the United States, in U.S. dollars, will be charged a foreign transaction fee of point eight percent (.8%), regardless of whether there is a currency conversion associated with the transaction.

**Foreign Transaction Fees-** You may be charged a surcharge/access fee for ATM or over-the-counter cash disbursement transactions initiated outside of the U.S. region. The amount of the fee will depend upon the location of the ATM or cash disbursement party.

#### **➡ *Additional Disclosures Applicable to Internet Banking***

Internet Banking allows convenient access to your account information 24 hours a day. To use Internet Banking you must have a computer, Internet Service, browser, your account number and a PIN (personal identification number/password).

#### **TRANSACTIONS AVAILABLE**

You may use the Internet Banking service to perform the following transactions:

- Obtain account/loan balance information;
- Obtain loan payment due date and payoff information;
- Obtain last dividend, date and amount;
- Obtain clearance of specific checks;
- Request check withdrawals from your checking, savings, and line of credit accounts;
- Transfer funds between your checking, savings, and Line of Credit;

- Access your Line of Credit for loan advancements by check;
- Download transaction information to personal financial management software from checking and savings account;
- Make loan payments;
- Pay bills through Bill Pay from checking.

#### LIMITATIONS ON TRANSACTIONS

The following are limitations to the use of the Internet Banking service:

- The maximum you may withdraw by check is \$10,000 during any 24-hour period.
- The maximum transaction amount is \$10,000 during any 24-hour period.
- No more than six withdrawals or transfers may be made from each savings or Super Variable account (except Money Market Advantage Account) or to a third party by means of a pre-authorized, automatic, online or telephonic transfer in any calendar month or no more than six (6) transfers may be made by check, draft, debit card or similar order payable to a third party. If you exceed, or attempt to exceed, the six (6) withdrawal or transfer limits, the excess withdrawal or transfer requests may be refused or reversed, a fee may be imposed on the excess withdrawal or transfer request, and the Credit Union may reclassify or close your account. Transfers initiated by telephone are counted among the six (6) monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

Refer to the Money Market Advantage Account section for information regarding limitations specific to that account.

### ➔ ***Additional Disclosures Applicable to Internet Banking Bill Pay***

#### SYSTEM REQUIREMENTS

To use Internet Banking Bill Pay, you must have either a computer, smart phone, tablet, Internet Service, browser, your account number (username) and PIN or password.

#### RIGHT TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS AND RIGHT TO RECEIVE NOTICE OF VARYING AMOUNTS

##### a) Right to stop payment and procedure for doing so.

If you have told us in advance to make regular payments out of your account, you can also stop any of these payments. Here's how:

Call us at 626.799.0882 or write to us at P. O. Box 7132, Pasadena, CA 91109-7132 in time for us to receive your request three 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 fourteen (14) days after you call.

##### b) Notice of varying amounts.

If these regular payments vary in amount, the person you are going to pay will tell you ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

#### TRANSACTIONS AVAILABLE

You may use the Internet Banking Bill Pay Service to perform the following transactions:

- **Add/Edit Merchants:** Merchant refers to the entity to which you pay bills. The merchant can be a company, organization, or individual. The Add/Edit Merchant feature allows you to add merchants to, delete merchants from or edit merchant information on your personal list of merchants.
- **Make nonrecurring payments from checking:** This feature allows you to schedule one-time payments to merchants. This feature enables you to specify the amount of the payment and the processing date.
- **Make recurring payments from checking:** This feature allows you to schedule recurring payments to merchants.
- **View History:** View History permits you to see payments made over a specified time period.

#### LIMITATIONS ON TRANSACTIONS

The following are limitations to the use of the Internet Banking Bill Pay Service:

- The maximum you may withdraw by check is \$10,000 during any 24-hour period;
- Bill payments can only be made from your checking account;
- Payments cannot be made for tax payments, court-ordered payments or payments to payees outside of the United States;

- If you close the designated bill payment checking account, all scheduled payments will be stopped;
- You cannot stop a payment if the payment has already been processed; and
- You can schedule payments 24 hours a day, seven days a week, however, payments scheduled on a Saturday, Sunday, or holiday will be processed within one to two business days; and
- The bill being paid must be in the member's name.

#### **METHODS AND RESTRICTIONS**

Payments are made to your payee either electronically via the Automated Clearing House (ACH) or by check or laser draft. The method of payment depends upon the processing method that can be accommodated by the payee or by our bill payment service provider.

It is important that you take into consideration what method of bill payment will be used when scheduling bill payments to ensure payment deadlines are met. If the payee accepts electronic bill payment, the payment may take up to four business days to process. If the payee does not accept electronic bill payment, the payment will be sent in a check form, and may take up to ten business days to process.

#### **MEMBER RESPONSIBILITIES**

You are responsible for:

- any late payment, late fees, interest payments, and service fees charged by merchant(s);
- any overdraft, NSF or stop payment fees charged by the Credit Union as a result of these transactions;
- data input of payee information (payment amount(s), name, address and any other pertinent information);
- written notification to the Credit Union in the event you wish to cancel this service; and
- you must allow sufficient time for bill payments to be processed so that the funds can be delivered to the merchant on or before the due date.

### **➔ *Additional Disclosures Applicable to Funds Transfers***

#### **APPLICABLE LAW**

This agreement and notice applies to funds transfers as defined in the Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System.

#### **FUNDS TRANSFER CUT-OFF TIME**

The Credit Union 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 the various types of funds transfers, the cut-off time will be at 12:00 p.m. (P.S.T.) on each weekday that the Credit Union is open excluding holidays. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next funds transfer business day and processed accordingly.

#### **SERVICE CHARGES/FEEES**

The Credit Union may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made. Please refer to our Schedule of Fees and Charges for current fees.

#### **SECURITY PROCEDURES**

The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the security procedure, 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 that security procedure unless you notify the Credit Union in writing that you do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing, on an alternate security procedure.

#### **USE OF FEDWIRES**

If you send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. This means that your rights and liabilities in a wire transfer involving Fedwire will be governed by Regulation J.

#### **IDENTIFICATION OF BENEFICIARY**

If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's bank on the basis of the identifying or bank account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identification number you provided the Credit Union.

### **IDENTIFICATION OF BENEFICIARY AND INTERMEDIARY BANK BY NUMBER**

If you give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different bank than the named bank. This means that you will be responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided.

### **PROVISIONAL ACH PAYMENTS**

The Credit Union may at its discretion give you credit for automated clearinghouse (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree, if the Credit Union 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. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you would be liable to repay the Credit Union.

### **NOTICE OF RECEIPT OF ACH FUNDS**

ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide you with next day notice of receipt of ACH credit transfers to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements which we provide.

### **RECEIPT OF INCOMING (NON-ACH) FUNDS TRANSFERS**

If the Credit Union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic account statements which we provide. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.

### **PAYMENT OF DIVIDENDS (OR INTEREST)**

If the Credit Union becomes obligated under Article 4A to pay interest (or dividends) to you, you agree that the rate of interest (or dividends) to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

## **FUNDS AVAILABILITY POLICY**

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

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before the close of business on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of business or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

### **LONGER DELAYS MAY APPLY**

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the 7th business day after the day of your deposit.

#### **SPECIAL RULES FOR NEW ACCOUNTS**

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the 11th business day after the day of your deposit.

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

Funds from any deposits (cash or checks) made at automated teller machines (ATM's) we own or operate will be available generally on the second business day after the day of your deposit.

Funds from any deposits (cash or checks) made at automated teller machines (ATM's) we do not own or operate may be available on the fifth business day after the day of your deposit.

## **IMPORTANT NOTICE ABOUT YOUR ACCOUNT(S) (CALIFORNIA RESIDENTS)**

In accordance with California's Unclaimed Property Law, C.C.P. §1500, et seq., any funds held by the Credit Union (including, without limitation, funds in a share, share draft, certificate, or other account, sums for the payment of cashier's checks, teller's checks, etc.) may be transferred to the Unclaimed Property Division of the California State Controller's Office if no activity occurs in the account within the time period specified by state law.

## **GENERAL TERMS AND CONDITIONS OF YOUR CREDIT UNION ACCOUNTS**

#### **DEFINITIONS**

**ACCOUNT AGREEMENT** means any savings, checking, certificate, trust, totten trust or UTMA account.

**TIS AGREEMENT** means Truth In Savings Agreement entitled, "About Your Credit Union Accounts."

#### **MEMBERSHIP & ACCOUNT APPLICATION**

The terms, conditions and information contained in the Membership & Account Application, and all amendments thereto, are by this reference hereby incorporated in their entirety into this TIS Agreement and become an integral part of the General Terms and Conditions of the Credit Union Accounts.

#### **ACCOUNT OWNERSHIP**

The ownership of trust, totten trust and UTMA accounts shall be governed by the applicable Account Agreement. Unless otherwise specified in the Account Agreement, the parties who sign an Account Agreement agree with each other and with the Credit Union that all funds in the accounts shall be owned as follows:

- **Individual Accounts:** The account or certificate is owned by the party named on the Account Agreement ("Account Holder"). Upon the death of the party, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) on the Account Agreement.
- **Joint Accounts:** The account or certificate is owned by the parties named on the Account Agreement ("Account Holder"). Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s), designated as the beneficiary named on the Account Agreement.

#### **SPECIAL RULES FOR JOINT ACCOUNTS**

**Withdrawals by and Liability of Joint Owners** - The Account Holders of an account agree with each other and with the Credit Union that all funds and all accumulations thereon are subject to the withdrawal or receipt by any of the Account Holders, and payment to any of them shall be valid and discharge the Credit Union from any and all liability for such payment. The Account Holders of an account expressly agree that each Account Holder is jointly and severally liable for any and all overdrafts, losses or charges to an account created by any Account Holder(s).

**Deposits** - The Credit Union may cash or deposit all checks payable to any signer when endorsed by any other signer.

**Disputes** - If there is a dispute about ownership or control of an account, the Credit Union may place a hold on the account and not release funds until the Credit Union receives either a court order or an instruction signed by all persons claiming an interest in the account.

#### **CHANGES IN TERMS AND CONDITIONS**

The use of an account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time. The Credit Union has the right to change the terms and conditions of this Agreement at any time, in any manner, and for any reason. We may delete or modify existing terms. We may add new terms without regard to whether the matter is already addressed by this Agreement. We may offer new or different services at any time, and may convert an existing account or service into a new account or service. We will generally notify you in advance of changes by sending written notice to your address as it appears on our records. However, we may make changes without sending you advance notice, unless such notice is required by law. By continuing to use or keep your account open, you will be deemed to accept and agree to any such changes in terms.

#### **ORDER OF POSTING; UNDERSTANDING YOUR BALANCE AND ACTUAL BALANCE**

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

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

You understand that you may be overdrawn even when your balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. You must keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section entitled "Funds Availability Policy." If you have additional questions about your available balance or balance, please see a branch representative or call 626.799.0882.

#### **NOTICE**

Notice to one Account Holder shall constitute notice to all persons authorized to have access to the account.

#### **ABILITY TO PLEDGE FUNDS**

Any or all of the joint Account Holders may pledge all or any part of the funds as security for a loan or loans with the Credit Union only.

#### **ENFORCEMENT OF LIENS**

All funds in an account remain subject to any and all liens, including but not limited to statutory liens and/or consensual liens, security interests, rights of set off and charges, notwithstanding the source of the contribution.

### **FINANCIAL ABUSE REPORTING**

Account Holder(s) understand(s) and agree(s) that the Credit Union may report known or suspected illegal or fraudulent activity including, but not limited to, the following:

- Financial abuse involving an elder or dependent adult;
- Where the ownership or collectibility of funds are subject to dispute; or
- Misuse or abuse of account services;

to appropriate law enforcement or government entities, as required or permitted by law. In addition, the Credit Union reserves the right to suspend, restrict, deny or terminate account services and activity, including the placement of an administrative hold (freeze) on account proceeds, or take such other actions as deemed necessary under the circumstances. Account Holder(s) agree(s) to indemnify and hold the Credit Union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys' fees, as a result of any action or inaction taken in relation to the matters described here.

### **NOTIFICATION OF CHANGES**

Each Account Holder agrees to promptly notify us in writing of any change in address(es). If you fail to do so, we may send notices, statements or other important information to the address shown in our records and you agree to release us from any liability for doing so. You also agree to notify us in writing of any change in ownership or authorized signers, or if an owner or authorized signer dies or is placed under legal guardianship or conservatorship. We may, at our option, require a new Account Agreement to be completed before any such change takes effect. Any such changes shall not affect transactions previously made.

### **WAIVER OF CERTAIN RIGHTS**

The Credit Union reserves the right to waive the enforcement of any of the provisions of this TIS Agreement with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions and is not sufficient to modify the terms and conditions of this TIS Agreement.

### **CONSUMER REPORTS**

The Credit Union makes credit available to its members on a regular basis. The Applicant(s)/Account Holder(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the Applicant(s)/Account Holder(s), including but not limited to applying for membership, the opening of a savings or checking account or the issuance of an ATM Card, Debit Card, or other service provided by the Credit Union, and the Applicant(s)/Account Holder(s) of the account authorize any person, association, or corporation to furnish on request of this Credit Union, information concerning the affairs of the Applicant(s)/Account Holder(s). The Applicant(s)/Account Holder(s) also authorizes the Credit Union to furnish information concerning the account to consumer reporting agencies.

### **NEGATIVE CREDIT REPORTING**

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

### **REPORTING INACCURATE INFORMATION**

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at Pasadena Federal Credit Union, P.O. Box 7132, Pasadena, CA 91109-7132 so we can investigate.

### **POST-DATED CHECKS**

The Credit Union will treat all checks as though the checks were written on the date presented.

### **EXAMINATION OF STATEMENTS**

The Account Holder(s) to whom the periodic statement of account is sent agree(s) to exercise reasonable care and promptness in examining the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof.

### **NON-CASH PAYMENTS**

Non-cash payments deposited into an account may be credited subject to final payment.

### **FEES AND CHARGES**

All accounts shall be subject to service charges in accordance with fee schedules adopted by the Credit Union as amended from time to time.

### **ATTORNEYS' FEES**

You agree to pay the Credit Union all of our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement.

### **CREDIT UNION'S RIGHT TO OFFSET**

Account Holder(s) agrees that the Credit Union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason. Account Holder(s) understand that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)'s share and dividends in the event of the failure of the Account Holder(s) to satisfy any financial obligation due and payable to the Credit Union. Account Holder(s) understand that the Credit Union may enforce this right without further notice except Individual Retirement Accounts (IRA), Keogh Plan, Social Security/SSI, and as otherwise prohibited by law.

### **GOVERNING LAW**

This TIS Agreement shall be construed in accordance with the laws of the State of California, including the California Uniform Commercial Code (UCC).

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

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

### **ARBITRATION**

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

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

This arbitration provision shall be interpreted and enforced in accordance with the FAA by a single arbitrator appointed by the AAA. The arbitrator shall be an attorney, retired judge or AAA panel member with experience and knowledge regarding financial institutions and transactions.

Each party shall pay its own fees and costs of the arbitration pursuant to this Agreement unless otherwise required by law.

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

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

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

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



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

If you do not want this arbitration and waiver of class action and jury trial provision to apply, you may opt-out by sending a written request to the Credit Union postmarked within sixty (60) days of your receipt of this agreement. The opt-out must include your full name, address, telephone number, account number and personal signature, and must be mailed to the Credit Union at P.O. Box 7132, Pasadena, CA 91109-7132. Opting out will not terminate this agreement or affect any other rights and obligations you or the Credit Union have under this agreement.

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

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

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

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

