

# PARTNERS!

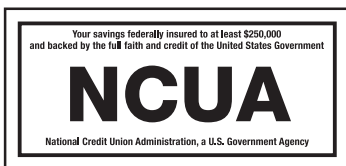
FEDERAL CREDIT UNION

PO Box 10000  
Lake Buena Vista, FL 32830  
800.948.6677  
partnersfcu.org

## Truth-In-Savings Agreement and Disclosure

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Effective April 20, 2026



Your savings are insured up to \$250,000 by the National Credit Union Administration (NCUA), an agency of the U.S. Government. Your IRA savings are insured separately up to \$250,000 by the NCUA.



# Truth-in-Savings Agreement and Disclosure

## **AGREEMENT AND DISCLOSURES RELATING TO ALL CREDIT UNION ACCOUNT**

This Agreement which applies to member and account holders covers your rights and responsibilities concerning your accounts and the rights and responsibilities of the Credit Union providing this Agreement. In the following Agreement(s) and Disclosures, (also referred to herein as "Agreement" or "Disclosures") the words "you", "your" and "yours" mean each and all of those (whether one or more persons) who are subject to the terms of the Agreement as a result of signing an account signature card, share certificate or other documents for each respective account. The words "we", "us", "our" and "Credit Union" mean PARTNERS FEDERAL CREDIT UNION®.

By signing an account signature card or authenticating your request, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any account signature card terms, Funds Availability Policy Disclosure, Electronic Fund Transfers Agreement and Disclosure, Privacy Disclosures, Rate Sheet, Schedule of Fees, Courtesy Pay Important Information Disclosure and any other account disclosures accompanying this Agreement, the Credit Union Bylaws and Code of Conduct, Credit Union policies, and any amendments made to these documents from time to time that collectively govern your membership, accounts and services, all of which is incorporated by reference herein.

These Disclosures are presented for your information and are accurate as of the date shown on the cover. You may always obtain more information by calling our Member Service Department at: 800.948.6677.

The Credit Union has the right to terminate any Agreement or change its terms, conditions, requirements, charges or fees at any time upon sending written notice to you when required by law at your address of record.

## **IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT**

Federal law requires all financial institutions to help the government fight the funding of terrorism and money laundering activities by obtaining, verifying, and recording information that identifies each person who opens an account.

What this means to you: When you open an account we 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 documents.

Your membership with the Credit Union is conditional pending our verification of your identity pursuant to Section 326 of the USA Patriot Act within 60 days of opening your account. If we cannot verify your identity your account will be closed and you will not become a Member of the Credit Union.

To become a Member in Partners Federal Credit Union you must open and maintain a Primary Savings account. You must be a Member in order to use other existing Credit Union products and services. To open any account at the Credit Union, you must fill out an applicable information sheet, provide the required identification and sign all applicable account cards and other necessary documents, all of which are fully incorporated by reference herein.

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

**BINDING ARBITRATION CONSENT AND AGREEMENT:** You and we agree to attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts or the products or services the Credit Union has provided, will provide or has offered to provide you, and/or any aspect of your relationship with us (hereinafter referred to as the "Claims"). Attempts to informally settle the Claims shall include a written exchange on information describing the Claims, the basis for the Claims, and the relief sought, and then an in-person meeting (or a meeting by Zoom or similar electronic means) to discuss, in good faith, potential resolution of the Claims. If the Claims cannot be resolved informally, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (defined below) of this Arbitration Agreement and Waiver of Class Action ("Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date of this Arbitration Agreement, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), including its Mass Arbitration Supplementary Rules, whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at [www.adr.org](http://www.adr.org); or, a copy of the Rules can be obtained at any Credit Union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT). This Arbitration Agreement will be interpreted and enforced in accordance with the Federal Arbitration Act in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of Claims at issue. You acknowledge that this Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity seeking relief on your behalf.

- **SELECTION OF ARBITRATOR:** The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules, and must have experience and knowledge in financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement will supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claim, and if you and we do not agree on a substitute forum, then you can select the appropriate forum for arbitration for the resolution of the Claims.
- **EFFECTIVE DATE:** This Arbitration Agreement is effective upon the 61st day after we first provide it to you ("Effective Date"), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below. However, if we make revisions or amendments to this Arbitration Agreement and send you revised or amended Arbitration Agreement terms, we will provide you an additional RIGHT TO OPT-OUT of those amended or revised terms, and the revised or amended Arbitration Agreement will be effective upon the 61st day after it is provided to you (in which case that will be the new "Effective Date" for the amended Arbitration Agreement, superseding the earlier Effective Date), unless you opt-out in accordance with the RIGHT TO OPT-OUT.
- **CLAIMS ARISING PRIOR TO EFFECTIVE DATE:** THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.

## **ARBITRATION PROCEEDINGS**

- The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted through arbitration. The arbitrator shall be entitled to award the same remedies that a court can award, including public injunctive relief to the extent applicable under the California Consumer Legal Remedies Act or Unfair Competition Law. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court and it cannot be appealed. The Credit Union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorney's fees, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorney's fees. However, if the Credit Union prevails, then you will not be required to pay our attorneys' fees and cost.
- Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court
  - **CLASS ACTION WAIVER:** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.
  - **SEVERABILITY:** In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain fully enforceable.
  - **SURVIVAL:** This Arbitration Agreement will survive termination of the Agreement.
- A. **RIGHT OF OPT-OUT:** You have the right to opt-out of this Arbitration Agreement, provided that you notify the Credit Union of your intent to opt-out within 60 days after it is provided to you. Your opt-out is only effective if you notify us in writing at P.O. Box 10000, Lake Buena Vista, FL 32830 within such 60 day time period. If you fail to opt-out within this 60 day time period, you will be deemed to have consented to the resolution of your Claims through binding arbitration. In the event you opt-out of this Arbitration Agreement, such opt-out will not affect other terms and conditions of your Agreement or your relationship with the Credit Union.

**FOR MORE DETAILS** or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA's website, [www.adr.org](http://www.adr.org). You understand that any debt or loan obligation you may have with us that is subject to the Federal Truth in Lending Act, 15 USC 1601 et seq., is not subject to this Arbitration Agreement.

## **GENERAL DISCLOSURES APPLICABLE TO ALL ACCOUNTS**

1. Dividends on all accounts are paid as permitted by the Federal Credit Union Act and Regulation and in accordance with the Bylaws of the Credit Union.
2. The provisions for bank deposits and collections in the Uniform Commercial Code ("UCC") shall apply to transactions affecting this account and the term "bank" shall include the Credit Union for the purpose of applying the UCC to this Agreement.
3. All terms and disclosures for Partners Mobile Deposit Service are contained in the Partners Mobile Deposit Agreement and Disclosure which by this reference is incorporated into this disclosure in its entirety. When you are approved for Partners Mobile Deposit Service and sign on to the Service the first time a copy of the Agreement and Disclosure Statement will be provided to you.
4. If you fail to comply with any term of this Agreement, you promise to pay all the collection costs and attorney fees that the Credit Union incurs in enforcing this Agreement whether or not the matter is litigated.
5. The Credit Union may delay enforcing its rights under this Agreement without losing them. Any waiver by the Credit Union shall not be deemed to be a waiver of other rights or of the same rights at another time.
6. You authorize the Credit Union to release information regarding the status and history of your account to others such as credit bureaus, merchants and other financial institutions. 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.
7. You agree to be bound by the bylaws, regulations and policies of the Credit Union, now in effect or as they may be amended.

8. Federal law requires us to report to the Department of the Treasury, Internal Revenue Service, certain large transactions in currency. We may report other transactions at our discretion.
9. All accounts (except Checking Accounts) are not transferable except as defined in Federal Reserve System Regulation D (12 CFR, Part 204).
10. We may endorse checks for you which we receive for deposit without your endorsement.
11. All non-cash payments received for deposit to any account are credited subject to final payment and are subject to our Funds Availability Policy available in one of our offices, on our website or upon request.
12. Account statements may be sent electronically through our eStatements service if you opt-into this service. If you do not opt-into eStatements, your statements will be mailed to the primary address shown on our records. You must exercise reasonable care and promptness in reconciling your statement, and in all cases, you must notify us of suspected errors within the time limits set forth in the "UCC" and the Check Clearing for the 21st Century Act (Check 21) or you are precluded from any action against us. See the Credit Union's Funds Availability Policy.
13. We may pay out funds or transact business pertaining to any account upon the signature of any one of the account owners or upon the signature of any designated agent(s). An agent may be appointed through an acceptable written Power of Attorney. We have no duty to monitor or insure that the acts of the agents are for your benefit. We may continue to honor transactions of the agent until:
  - A. We have received written notice or have actual knowledge of the termination of the attorney in fact or the death of the owner, and
  - B. We have reasonable opportunity to act on that knowledge.
14. You or we may terminate any account at any time. You understand, however, that any authority you provided to us may not be changed or terminated except by written notice to us which will not affect any transactions prior to our receipt of your notice.
15. Accounts are subject to the California Multiple-Party accounts Law and Florida Statutes, as applicable, if the account is a joint account, P.O.D. account with a single party, or a P.O.D. account with multiple parties. As used herein, a "joint account" is an account owned by the named parties. Upon the death of any of them, ownership passes to the survivor(s). A "P.O.D. account with single party" is an account owned by the named party. Upon the death of that party, ownership passes to the named pay-on-death payee(s). A "P.O.D. account with multiple parties" is an account owned by the named parties. 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). If the account is held in the name of an individual as a trustee under a declaration of trust or testamentary trust or by a personal representative, guardian or conservator, the applicable California Multiple-Party accounts Law and Florida Statutes shall apply.
16. We are not responsible for items lost while not in our possession. We are not responsible for transactions by mail or outside depository until we actually post them.
17. Unclaimed Property Laws: California law provides that inactive balances must be turned over to the state (escheated) after a period of three (3) years under certain conditions. These conditions are:
  - A. Owner's (Member's) address is in California, or
  - B. No Owner (Member) address is shown on the Credit Union's records and the Credit Union's principal office is in California, or
  - C. Owner's (Member's) address is in another state and Credit Union's principal place office is in California, and the state in which the member resides does not escheat that item, or
  - D. Owner's (Member's) address is in a foreign country but the Credit Union's principal office is in California.

Members with an address on the Credit Union's records that is in Florida are subject to Florida law which provides that funds may be escheated after five (5) years. For both states, funds may be escheated after the stated time period if you have not:

- A. Claimed a cash dividend, paid in or withdrawn funds, or increased or decreased the amount of the account; or
  - B. Corresponded in writing or electronically with us concerning the account; or
  - C. Otherwise indicated an interest in the account as evidenced by a memorandum on file with us or other record on file with us (example: a pledge of shares as security for a loan; Florida laws indicates "memo or other record prepared by an employee of the Credit Union"); or
  - D. Has no other active relationship with the Credit Union.
18. You agree that by signing any account membership agreement and signature card or certificate you are also subject to the terms and conditions of the form of account (as described above and below) which you have opened. You authorize us to contact and inquire of your references, your spouse, and your employer(s), past, present, and future, to verify any information you have provided and to obtain consumer reports on you. You also authorize us to release information regarding the status and history of any of your accounts to others such as credit bureaus, merchants, and other financial institutions. 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.
  19. General Schedule of Fees:
    - A. You agree to pay us all costs and charges incidental to the membership/account(s) according to the Schedule of Fees established and as it may be changed and made available by us from time to time.
    - B. You agree to pay us all costs and charges incidental to the Checking Account according to the Schedule of Fees established and as it may be changed and made available by us from time to time. We shall debit such charges against the Checking Account, and where allowable by law, such charges shall be treated as overdrafts.
    - C. You agree to pay us all costs and charges incidental to all other accounts with us according to the Schedule of Fees established and as it may be changed and made available by us from time to time. We shall debit such charges in the following order: (1) against the account upon which the charge is assessed, (2) against your Checking Account, and where allowable by law, such charges shall be

treated as overdrafts.

- D. A current copy of our Schedule of Fees is available at our branches, on our website or upon request.
20. No transfer of voting rights or other membership privilege is permitted by virtue of transfer of shares.
  21. You agree that we may impress and enforce a lien on any or all of the shares on deposit (except IRA accounts) in any account, whether individually or jointly, to the extent of any loan or loans with us, subject to current loan policies and for fees and charges due to us. Also, the law provides that under certain circumstances we may apply funds on deposit in your account to satisfy a debt you owe us which is not paid when due. If we exercise this right, we will advise you and identify the account from which funds are transferred, the debt to which they were applied and the balance after the transfer in each of these accounts.
  22. According to regulation, a courtesy pay fee may be charged on checks and ACH transactions without receiving your consent, or opt-in, to overdraft service. Courtesy pay service and associated fees (refer to Schedule of Fees) may not be applied to ATM or one-time debit card transaction without an opt-in from you or if the account is jointly held, from a joint owner.
  23. The Board of Directors reserves the right to amend the Schedule of Fees included with this disclosure from time to time.
  24. Partners Federal Credit Union insures accounts through the National Credit Union Administration, an agency of the federal government.
  25. All withdrawals are subject to verification by the Credit Union. Your signature on the membership application and signature card authorizes your account access.
  26. Funds may be deposited to any account, in any manner approved by the Credit Union.
    - A. Deposits made by mail or at facilities non-staffed are not our responsibility until we receive them. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence.
    - B. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. Items sent for collection are subject to any fees listed in the Schedule of Fees enclosed.
    - C. All deposits are subject to verification by the Credit Union and are handled in accordance with Partners Federal Credit Union's Funds Availability Policy that is available in one of our offices, on our website or upon request.
  27. Ownership of the account will be established by the most recent Membership Application (signature card) or other approved document(s) evidencing such accounts that we have on file for you. A different form of ownership may be established by completing a Membership update form (limited to a name change or adding a joint owner) or executing a new Membership Application. If ownership or the right to make withdrawals from your account becomes in dispute for any reason, we may, in our discretion, refuse payment of the balance in the account until the dispute is settled.
  28. You agree that we will not be responsible to you for any damages you may incur in the event you deposit an item with us which is later returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by a prior endorser.
  29. If we are served with a restraining order, garnishment, writ of execution or attachment, tax levy or other legal process with which we must by law comply, we will, to the extent permitted by law, notify you accordingly.
  30. If we are served with a garnishment order for an account into which Federal benefit payments have been directly deposited, as required by Title 31, Section 212 of the Code of Federal Regulations, we will send you a notice to let you know what we have done in response to the garnishment order.
  31. California law governs this Agreements and Disclosure.

#### **GENERAL INFORMATION ABOUT ALL ACCOUNTS ACCRUAL OF DIVIDENDS ON NON-CASH DEPOSITS:**

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

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

**BYLAW REQUIREMENTS:** A Member who fails to complete payment of one share within 2 months of his/her admission to membership, or within 2 months from the increase in the par value in shares, or a Member who reduces his/her 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 2 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 we may prescribe. We reserve the right, at any time, to require Members to give, in writing, not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them.

No Member may withdraw shareholdings that are pledged as required for security on loans without the written approval of a loan officer, except to the extent such shares exceed the Member's total primary and contingent liability to us. No Member may withdraw any shareholdings below the amount of his/her primary or contingent liability to us if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written approval of a loan officer. The maximum amount of shares which may be held by any one Member shall be established from time to time by the board.

**PAR VALUE MINIMUM DEPOSIT AND BALANCE INFORMATION:** The par value of a regular share is \$5.00. For all accounts you must open a Primary Savings account and purchase a \$5.00 share (\$5.00 daily balance) to open and maintain the account and avoid closure. You must open a Primary Savings Account to open any subsequent accounts. A 90-day waiting period may be required before re-opening a Primary Savings account closed by you. Accounts will be opened at Partners Federal Credit Union's discretion.

## OVERDRAFT FEE

According to applicable law and Regulations, a check or ACH debit transaction that is presented to the Credit Union for payment on your account when the account has insufficient available funds to pay that item may, at our option, be returned for insufficient funds or we may pay the item and charge you a fee (refer to the Schedule of Fees).

For each calendar year in which you are eligible for the Courtesy Pay service, we will pay up to the number of eligible overdrafts as referenced in the Courtesy Pay Important Information disclosure. If you exceed the number of eligible overdraft transaction limit in any calendar year, you will no longer be eligible for the service until the next calendar year begins. Please refer to our "Courtesy Pay Important Information" disclosure, which has been provided to you and is incorporated by this reference, for more information.

An ATM withdrawal or one-time debit card transactions that is presented to the Credit Union for authorization when the account has insufficient available funds to pay that item may be declined for insufficient funds or, if the Credit Union has on record a consent to Courtesy Pay service (an opt-in), we may, at our option, pay the item and charge you a fee (refer to the Schedule of Fees).

**We May Return Items Unpaid.** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related NSF fee as stated in the Schedule of Fees. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times. This may also occur when you initiate transfers and payments through your Credit Union Online Banking or Bill Payment Services and your account lacks sufficient available funds at the time the transaction is scheduled to occur, as we may decline the transaction, charge a fee, and then resubmit the same transaction at a later time in an attempt to process your requested transaction. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF fee each time that same transaction is returned unpaid.

## LIABILITY FOR OVERDRAFTS

**GENERAL:** You are responsible for keeping track of the funds in your account that are available for you to use before you write a check, make a cash withdrawal at an ATM, or use your debit card for a transaction. Among other things, you should keep a running balance that reflects all of your transactions. It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payments you have authorized), as your available balance (discussed in more detail below) will not reflect these transactions until they are paid from your account.

"Overdrawing" your account means that there are not sufficient available funds in your account to pay for a transaction. Some transactions that can result in an overdraft in your checking account include, but are not limited to: (1) the payment of checks, electronic fund transfers, telephone-initiated transfers, preauthorized payments under the Partners Bill Payment Services, or other withdrawal requests authorized by you; (2) the return (unpaid) of items deposited by you; (3) the assessment of service charges by us; or (4) the deposit of items that are treated as not yet "available" according to our Funds Availability Policy.

**PAYMENT OF OVERDRAFTS:** We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

We assess a fee for each item that we either pay, which results in an overdraft, or do not pay, which would have resulted in an overdraft had we paid it. If we pay an item in accordance with our Courtesy Pay service we will charge a Courtesy Pay fee as set forth in the Schedule of Fees. If we return an item, we will charge a Non-sufficient Funds (NSF) Fee as set forth in the Schedule of Fees each time an item is presented for payment and returned unpaid due to an insufficient available balance. Refer to the Schedule of Fees for a listing of fees, which is updated periodically.

We recommend that you enroll in one of the Overdraft Protection Options described below. These plans can help you avoid Courtesy Pay fees and returned items. While fees apply when you use an Overdraft Protection Option, the fees under the optional plan are less expensive than NSF and Courtesy Pay fees. Refer to the "Overdraft Protection Options" section below for more information.

**YOUR SHARE DRAFT (CHECKING) ACCOUNT BALANCE:** Your Share Draft (Checking) Account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, by phone, or at a branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time to help avoiding overdrafts on your account. This section explains actual and available balances and how they work.

Your actual balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered available for transactions on your account. The actual balance is also referred to as: (a) your "current" balance on Credit Union ATM screens. Your actual balance reflects transactions that have posted to your account, but not transactions that have been authorized and are pending or pending deposits that are subject to holds under our Funds Availability Policy. While the term "actual" may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case. Your actual balance will not reflect any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted. For example, if you deposit a personal check into your checking account, we may place a hold on the deposit in accordance with the terms of our Funds Availability Policy, resulting in the entire amount of the deposit being included in your account's actual balance, but not in your available balance.

Your available balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. The available balance takes into account factors such as holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account. For example, assume you have an actual balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). Under this example, if the merchant requested preauthorization in the amount of \$20, we will place a "hold" on your account for \$20 (referred to as an "authorization hold"). Your actual balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because of the restaurant's preauthorization request that resulted in an authorization hold on \$20 in your account. When the restaurant submits its bill for payment (which could be a few days later and for a different amount than the amount of the authorization hold), we will post the transaction to your account and your actual balance will be reduced by the amount of the posted transaction.

We use your available balance at the time a transaction posts to determine when your account is overdrawn. Your account is considered overdrawn when the available balance in your account is negative (less than \$0). Your available balance may not reflect all of your Debit Card transactions. We use your available balance at the time a transaction posts to determine when your account is overdrawn and whether fees will be assessed. For debit card transactions involving merchant authorization holds, we look at the available balance at the time a transaction posts to determine whether the transaction results in an overdraft and potential related fees. In making this determination, we check your available balance at two separate times—first, at the time a merchant authorization request is received, and second, when the transaction "settles" and posts to your account. If your available balance is insufficient to pay the preauthorization amount requested by a merchant, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's authorization request. If the transaction later "settles" and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge a Courtesy Pay Fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized. Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

The following example illustrates how this works:

Assume your actual and available balance are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30. Your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 clears. Because your available balance is only \$30 (due to the authorization hold of \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under the Courtesy Pay Service, we will charge you a Courtesy Pay Fee as disclosed in our Schedule of Fees and Charges, which will be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge exceeded your available balance at the time the restaurant charge "settled" (i.e., posted to your account), we will charge you a Courtesy Pay fee as disclosed in our Schedule of Fees and Charges, even though the restaurant transaction was authorized and approved with a sufficient available balance.

YOU ACKNOWLEDGE 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 WANT TO MAKE. This is because your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our 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, including but not limited to car rental transactions, cash transactions and international transactions), we must release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released, which generally occurs when the transaction has been received by us and paid from your account. Refer to the section entitled "Authorization Holds for Debit Card Transactions" below for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Refer to our Funds Availability Policy for information regarding the availability for withdrawal of your deposits. You should not assume that you can avoid overdrawing your account by making a deposit before a check or other item is presented for payment because your deposit may not be immediately available for withdrawal.

## **AUTHORIZATION HOLDS FOR DEBIT CARD TRANSACTIONS**

When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day. Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted, as discussed below, or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received.

The amount of an authorization hold may differ from the actual transaction amount because the actual

transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is swiped before your actual transaction amount is known, such as at a restaurant or gas station (e.g., at a restaurant, you may choose to add a tip to the transaction amount). For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

## OVERDRAFT PROTECTION OPTIONS

We offer optional overdraft protection plans (referred to as "Overdraft Protection Options") that you may apply for, such as a personal Line of Credit loan account where your line of credit is used for overdraft protection, and an overdraft transfer service where funds from a linked savings account are used for overdraft protection. If you qualify for these optional services, we will look first to these services for overdraft protection before applying our discretionary Courtesy Pay Service when your account is overdrawn. A line of credit and the savings account overdraft transfer service may save you money on the total fees you pay us for overdraft protection.

- **Line of Credit.** This is a revolving line of credit, which is available to members meeting certain credit requirements. With this plan, you authorize us to automatically advance the exact amount of your overdraft from your line of credit (linked to your checking account) to cover your overdraft, up to your credit limit. You must repay what you have borrowed in full or in minimum monthly payments (in addition to any late charges, finance charges and annual fees). If you are approved for a line of credit, you will be provided with our Credit and Security Agreement, which contains the terms and conditions applicable to the line of credit.
- **Overdraft Transfer Service.** With this service, you authorize us to make transfers of available funds automatically from your regular savings account to cover overdrafts in your checking account. Transfers from your savings account are made in the exact amount of the overdraft. You must request to enroll in this service.

Overdrafts paid by either an advance on your line of credit are subject to finance charges and fees disclosed in the Credit and Security Agreement, while the savings account overdraft transfer service is subject to a fee as set forth in the Schedule of Fees.

If you decline to utilize any of the Overdraft Protection Options and you are not eligible for our Courtesy Pay Service, and there are insufficient funds in your checking account to pay an item, your items will not be paid, they will be returned, and an NSF Fee may be charged for each check or ACH item returned each time an item is presented for payment and returned unpaid due to an insufficient available balance. Transfers will appear on your periodic statements for each applicable account.

**LIMITS ON OVERDRAFT PROTECTION:** We will not transfer more than the available account balance in a linked regular savings account or the available credit (as of the end of the previous business day) on a line of credit account, even if the amount of the overdraft is more than the available amount. If the available balance in a linked regular savings account or the available credit on a line of credit account is not enough to pay the transactions you have initiated on any day plus applicable fees, we will transfer enough funds to pay one or more transactions, plus the fee. Any transactions that are not paid by the transfer from a line of credit or savings account will either be paid or returned, and Courtesy Pay fees will be charged if such transactions are returned or NSF Fees may be charged as if you did not have Overdraft Protection Option.

**TERMINATION OF OVERDRAFT PROTECTION OPTIONS:** We may terminate Overdraft Protection Option services at any time with or without notice to you. Any owner of the checking account, any owner of a linked regular savings account used for overdraft protection, or any borrower on a Line of credit account used for overdraft protection may cancel Overdraft Protection Option coverage in person or in writing. Cancellation will be effective after we have received notice and have had a reasonable time to act on it.

**EXAMINATION OF PERIODIC STATEMENTS:** You are responsible for the examination of your statements and reporting any irregularities to us. If you think your statement has an error, notify us in writing no later than 60 days (30 days for checks) after we sent you the first statement on which the error or problem appears.

**DELIVERY OF PERIODIC STATEMENTS:** Your periodic statements may be delivered as a paper statement by U.S. Mail, or electronically using the eStatements service available on Partners Online Banking. Electronic delivery is a paper statement replacement and requires:

1. your affirmative consent,
2. and, that the credit union has provided to you the access and equipment requirements for electronic delivery.

The Electronic Statement Delivery Notice has been provided at the time of account opening includes the requirements for accessing and retaining copies of electronic communications and statements. Before giving your consent to obtain your statements electronically carefully review this notice.

Give your affirmative consent to receive eStatements by:

1. Selecting Partners Online Banking on our website, successfully logon to Partners Online Banking and requesting eStatements;
2. Or, when you establish your account by indicating to the Member Service Representative you want electronic statement delivery.

No consent or notification is required to receive paper statements delivered by U.S. Mail. You may sign up for eStatements at any time by logging on to Partners Online Banking. To revoke the eStatements service and reinstate delivery by U.S. Mail send a message through Partners Online Banking select the "Member Service" tab and click "Messages" option or writing us at: P.O. Box 10000, Lake Buena Vista, FL 32830.

## **SHARE ACCOUNTS**

Partners Federal Credit Union's share accounts let you deposit your money in a savings account and withdraw your money at any time. Our share accounts are Primary Savings, Traditional Christmas Club, Special Savings, and IRA savings.

### **INFORMATION ABOUT ALL SHARE ACCOUNTS**

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") is stated on the Rate Sheet accompanying this Disclosure. Unless otherwise indicated, all share accounts are variable rate accounts. The rate is a single tier rate and APY unless exceptions are indicated. The Rate and APY may change at any time in the Credit Union's discretion.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly. 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 precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your account before dividends are credited, you will not receive accrued dividends. Dividends earned each month must equal 1 cent or more to be paid.

**BALANCE INFORMATION:** We compute the balance on all share accounts to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in your account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your Share Accounts may have certain minimum deposit and minimum balance requirements. The minimum deposit and daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet.

**ABILITY TO PLEDGE FUNDS:** Unless otherwise indicated in the specifics of each savings account listed in this Disclosure, the account owners may pledge all or any part of the funds in the savings as security for a loan or loans. See the section titled "Funds Cannot be Pledged" for exceptions and variations particular to any savings or checking account.

### **PRIMARY SAVINGS ACCOUNT**

**APPLICABLE FEES:** All applicable fees shown on the Schedule of Fees apply to this account.

### **PRIMARY SAVINGS ENHANCED FOR MEMBERS UNDER AGE 18**

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your Little Partners (age 12 and under) or Partners Teen (age 13 to 17 years) account is established by a Primary Savings account. The minimum deposit and balance requirements for a Primary Savings account apply as shown on the Rate Sheet.

**APPLICABLE FEES:** All applicable fees shown on the Schedule of Fees apply to this account.

### **SPECIAL FEATURES**

**LITTLE PARTNERS ACCOUNT (12 YEARS AND YOUNGER):** Special mailings and other Little Partners-friendly information arrive throughout the year.

**PARTNERS TEEN (AGES 13 TO 17):** A Partners Teen savings and a Teen Checking (a Checking account with limitations; no overdraft services available, check orders authorized by adult signer only; additional disclosure will be provided at account opening) with an ATM and Check Card is available. Loans are not available. Special mailings may be sent including newsletters with financial and educational information.

### **SPECIAL SAVINGS ACCOUNTS**

You may open Special Savings accounts once you have established a Primary Savings account. These accounts may be named new car, property taxes, vacation, Christmas Share or another name of your choice.

**APPLICABLE FEES:** All applicable fees shown on the Schedule of Fees apply to this account.

### **TRADITIONAL CHRISTMAS CLUB ACCOUNT**

Partners Federal Credit Union offers a Christmas Club account which lets you save money for the holiday season.

**APPLICABLE FEES:** All applicable fees shown on the Schedule of Fees apply to this account.

**MATURITY DATE:** On November 1st of each year, the available account balance, including dividends, will be transferred to your Checking Account or your Primary Savings account if you do not have a Checking Account.

**RENEWAL OF ACCOUNT:** Your Traditional Christmas Club account will automatically renew after the account balance is transferred to your Checking Account or Primary Savings account unless you fail to make further deposits to your Traditional Christmas Club account.

**FUNDS CANNOT BE PLEDGED:** All or any part of funds in a Traditional Christmas Club Account may not be pledged as collateral security for a loan or loans.

### **IRA SAVINGS ACCOUNT**

Our IRA Savings accounts are the Traditional, Roth and Coverdell Education Savings Account (ESA).

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

All other terms and disclosures for our IRAs are contained in the Credit Union's IRA Agreement and Disclosure Statement, which by this reference is incorporated into the account disclosure in its entirety. When you open your IRA, the Credit Union's Agreement and Disclosure Statement will be provided to you.

**TRANSACTION LIMITATIONS:** Other than as stated above, no transaction limitations apply to your IRA

savings account. Certain federal and state penalties may apply when IRA funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code. See your IRA account application and agreement for details.

Funds Cannot be Pledged: All or any part of funds in an IRA Savings may not be pledged as collateral security for a loan or loans.

### **INFORMATION ABOUT ALL MONEY MARKET ACCOUNTS**

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") is stated on the Rate Sheet accompanying this Disclosure. Unless otherwise indicated, Money Market Accounts are variable rate accounts. The Rate and APY may change at any time in the Credit Union's discretion.

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends will be compounded monthly and will be credited monthly. The dividends on a money market are computed on the daily balance to determine the dividend you will be paid by using the daily dividend balance method which applies a daily periodic rate to the balance in your account each day. If you close your account before dividends are credited, you may receive accrued dividends.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your Money Market Account(s) has certain minimum deposit and minimum balance requirements. The minimum deposit and daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet.

**APPLICABLE FEES:** All applicable fees shown on the Schedule of Fees apply to this account.

**ABILITY TO PLEDGE FUNDS:** Unless otherwise indicated the account owners may pledge all or any part of the funds in the savings as security for a loan or loans. See the section titled "Funds Cannot be Pledged" for exceptions and variations particular to any Money Market savings or checking account.

**FUNDS CANNOT BE PLEDGED:** All or any part of a Money Market Checking account may not be pledged as collateral security for a loan or loans.

### **INFORMATION ABOUT ALL PARTNERS CHECKING ACCOUNTS**

Partners Federal Credit Union offers Checking Accounts which lets you withdraw your money and write checks against your account(s) at any time. Checking account options feature electronic statements, computer and telephone transactions, bill payment service, access to cash at ATMs worldwide, overdraft protection options and other benefits.

**RATE INFORMATION:** If your Checking Account earns dividends, the initial dividend rate and annual percentage yield ("APY") on your Checking Account is stated on the Rate Sheet accompanying this disclosure. If your Checking Account earns dividends, your Checking Account is a variable rate account. This rate and APY may change at any time in the Credit Union's discretion.

**DIVIDEND COMPOUNDING AND CREDITING:** If your checking account earns dividends, dividends will be compounded monthly and will be credited monthly.

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 precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your account before dividends are credited, you will not receive accrued dividends.

**BALANCE INFORMATION:** We compute the balance on your Checking Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for that period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing the figure by the number of days in the period.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** The minimum deposit required for you to open and the minimum average daily balance to maintain to earn dividends is shown on the on the enclosed Rate Sheet. If during any month your average daily balance falls below the required minimum to earn dividends, you will not be paid dividends for that month.

**APPLICABLE FEES:** All applicable fees shown on the Schedule of Fees apply to this account.

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

1. By signing the appropriate application, you authorize the Credit Union to establish a share draft account for you to be known as a Checking Account.
2. If there is more than one owner of this account, the account shall be owned by you jointly with the right of survivorship.
3. The Credit Union is authorized to pay checks signed by you or your joint owners, if any, and to charge the payment against your account.
4. The Credit Union may refuse to pay checks if such payment would exceed available funds in the account and funds available under the Overdraft Protection Option or if prohibited by law. If the Credit Union does pay such check(s), which the Credit Union may do whether or not you have selected Overdraft Protection, you agree to pay upon demand by the Credit Union any overdraft amount and service charge we may impose (in accordance with the Credit Union's Schedule of Fees) not covered by an Overdraft Protection Option. You will be liable for any overdraft even if the overdraft is caused by a joint owner and you have received no benefit from the item causing the overdraft.
5. You authorize the Credit Union to pay any overdraft items and any fees for Credit Union services from funds subsequently deposited into your account unless prohibited by law. You are responsible for immediately depositing sufficient funds in your account to cover all items paid and to pay all fees otherwise we will offset amounts you owe us against your next deposit.
6. The right or authority of the Credit Union under this Agreement shall not be changed or terminated by you except by written notice to the Credit Union which shall not affect transactions made before the Credit Union actually receives the notice of change or termination.

7. To close the account, the Credit Union must be notified in writing and receive a signed check written for the full balance.
8. Only check forms or other access devices approved by the Credit Union may be used to access or withdraw funds from this account.

There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

- **Credits.** Most deposits are credited to your account when we receive them. For some deposit types, not all of the funds that are deposited will be available for immediate withdrawal. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, please refer to our Funds Availability Policy.
- **Debits.** There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants, and the Credit Union is not necessarily in control of when transactions are received.
- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.
- **ACH Payments.** We receive data files every day with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for through our bill payment service. Each day, ACH transactions for your account are grouped together and paid in low to high dollar value.
- **Point of Sale (POS) Debit Card PIN and ATM Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale or you use your debit card for ATM withdrawals. For these transactions, money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN but you are instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. Please refer to the section of this Agreement entitled "Authorization Holds for Debit Card Transactions" for additional information regarding such holds. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are posted to your account as they are received.

The foregoing is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

Relation Between Posting Order and Overdraft Fees. On any given business day, if we receive more than one item for payment and if we determine there are sufficient funds to pay one or more but not all of the items, then the number of items paid and the overdraft and returned item fees assessed could be affected by the order that we choose to post those items. We may choose our processing and posting orders regardless of whether additional fees may result. You can avoid overdraft fees by making sure that your account always has sufficient available funds to cover all of your withdrawals and debits. You should also consider enrolling in one of our cheaper Overdraft Protection Options, described in detail below, as a possible way to avoid Courtesy Pay fees.

9. Except for negligence on its part, the Credit Union is not liable for any action it takes or fails to take regarding the payment or nonpayment of a check and under no circumstances will we be liable for more than the amount of the item.
10. We may pay a check on whatever day it is presented for payment notwithstanding the date (or any limitation on the time of payment) appearing on the check unless you give us notice as required under the UCC.
11. Any objection concerning any item shown on a monthly statement for the account shall be waived unless made in writing to the Credit Union on or before the time limits set forth in the "UCC" and the "Check 21" guidelines.
12. The Credit Union is under no obligation to pay a check on which the date is more than six (6) months old, but we may pay the check in our discretion. We are under no obligation to hold a post-dated check and we reserve the right to process every item presented as if dated the same date received by us or our check processor unless you give us notice as required under the UCC and a reasonable opportunity to act on it.
13. You shall be liable for such service charge / fees as the Credit Union may from time to time impose for returned items written against insufficient funds or on closed accounts and for other returned items deposited into your account.
14. The Credit Union has the right to terminate this Agreement or change its terms, conditions, requirements, charges or fees at any time upon sending written notice to you at your address shown on the Credit Union's records.
15. The Credit Union is authorized to deduct any account service charge or fee from any of your accounts without prior notice to you unless prohibited by law. Charges and fees will be deducted from this account to the extent sufficient funds are available, but may even be deducted if there are insufficient available funds on deposit to pay for such charges and fees and such payment results in a negative (overdraft) balance.
16. All noncash share purchases or payments received in the account may be placed on hold in accordance with the Credit Union's policy on the delayed availability of funds.
17. The Credit Union has the right to assign this Agreement.
18. The Credit Union will credit the account with such dividends as the Credit Union may declare at the end

of each dividend period.

19. You agree that your account may be debited on the business day an item is presented or at an earlier time based on notification received by us that an item drawn on your account has been deposited for collection at another financial institution. Our determination of your account balance for making a decision to dishonor an item for insufficient available funds may be made at any time between presentment or receipt of notice of pending presentment and the time of return of the item. We have no obligation to make more than one such determination.
20. Provided such request is timely so that we shall have reasonable opportunity to act upon it and you have described the item or account with reasonable certainty, you may order a stop payment of any check payable against your account. A written order will be valid for twelve (12) months and may be renewed for additional twelve (12) month periods; PROVIDED, HOWEVER, that we reserve the right to require any verbal order to be confirmed in writing and if we so require, the verbal order will be valid for fourteen (14) days unless you confirm the order in writing within that time period. You have the burden of establishing the fact and amount of loss resulting from payment contrary to a binding stop payment order. A fee may be charged as provided in our Schedule of Fees.
21. This account is truncated which means you will not receive paid checks. You agree that when paid, checks become the property of the Credit Union and will not be returned with periodic statements. A printable image of a paid check is available through Partners Online Banking or a photocopy of a paid check is available upon request for seven (7) years from the date the check was paid by the Credit Union. A fee in an amount established by the Credit Union may be charged for each copy the Credit Union requests and provides; no fee is charged for printable images obtained through Partners Online Banking.
22. A substitute check may be created during the check clearing process. It is deemed to be the equivalent of an original check. We are mandated to accept them as legal copy of the original check.
23. As applicable to Partners Mobile Deposit Service, for all digital images processed by you pursuant to the Partners Mobile Deposit Agreement and Disclosure incorporated into this Agreement, the digital images will be converted to Substitute Checks and presented for payment. The Credit Union may at its sole option, with or without cause, at any time and from time to time, refuse to process any digital image.
24. Write or endorse your checks in black or a dark colored ink. Other colors may result in a blank, illegible, or generally unreadable substitute check or image of an original check. We may not accept the item for deposit or payment.
25. Any disputed substitute check (a "recredit" claim), may be reported verbally, in writing, via Partners Online Banking by selecting the "Member Service" tab then clicking on "Messaging", or a report sent by fax within the time limit established by Check 21. We reserve the right to require any verbal dispute to be confirmed in writing.
26. The Credit Union is authorized to recognize the signature of any one (1) person subscribed to the account card for the payment of funds or the transaction of any business for this account including, without limitation, the endorsement of checks payable to any signer and the causing or making of overdrafts for which all of you will be liable. For the purpose of this Agreement, use of a Personal Identification Number ("PIN") or other access device shall have the same effect as your signature.
27. If this account has more than one joint owner the owners of this account agree with each other and with the Credit Union that all sums now paid in on shares or heretofore or hereafter paid in on shares by any or all of said joint owners to their credit as such joint owners together with accumulations thereon are and shall be owned by them jointly with the right of survivorship and shall be subject to the withdrawal or receipt by any of them and payment to any of them or to the survivor or survivors shall be a valid discharge of the Credit Union from any liability for such payment.
28. The Credit Union will charge the account for check printing costs at the time the charge is received from the printer. If there are insufficient available funds in the account, the Credit Union may charge any other account held by any of the named account owners of this account.
29. The Credit Union reserves the right to close the account should there be 3 or more incidents of insufficient funds in any six (6) month period.
30. The Credit Union may apply your signature to any item which is received for deposit without a signature.
31. The Credit Union shall not be responsible for any losses caused by delays resulting from any endorsement error.
32. You waive protest and notice of dishonor or non payment of any item.
33. The Credit Union reserves the right to reject any item presented or represented for payment for any reason, in its sole and absolute discretion.
34. Your death, dissolution or incompetence shall not revoke our authority to accept, pay or collect checks or to account for proceeds of their collection until we know of the fact of your death, dissolution or incompetence and have had a reasonable opportunity to act on it. Even with knowledge, we may, for ten (10) days after the date of death, dissolution or incompetence, pay or guarantee checks drawn on or prior to the date unless ordered in writing to stop payment by a person claiming an interest in the account. We must be notified if any of you die, become incompetent or your organization is dissolved.
35. You authorize us to release information regarding the status and history of your account to others such as credit bureaus, merchants and other financial institutions. 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.
36. A Partners Teen Checking account with an ATM and Check Card is available to Teen Members age 13 to 17.

## **SHARE CERTIFICATE ACCOUNTS**

Partners Federal Credit Union's share certificate accounts let you deposit your money for a specified period of time. Except as specifically described herein, the following disclosures apply to all of the time deposit

accounts. All other (or different) terms and disclosures for our share certificates are contained in our Certificate Disclosure which will be provided to you at the time you open a share certificate. Any time deposit, term share, share certificate, or certificate account which we offer is subject to the terms of this Agreement and the document governing the terms of such certificate account, which is incorporated in this Agreement by reference. In the event of any contradiction between this Agreement and the Certificate Disclosure, the Certificate Disclosure shall take precedent to the extent of any such contradiction.

## **INFORMATION ABOUT ALL SHARE CERTIFICATE ACCOUNTS**

**RATE INFORMATION:** The initial dividend rate and annual percentage yield ("APY") on your share certificate account is stated on the Rate Sheet accompanying this Disclosure.

The APY for your share certificate account is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your share certificate account, your earnings will be reduced. Your share certificate account has a fixed rate and you will be paid this rate and APY until maturity (exception is the Bump Certificate).

**BALANCE INFORMATION:** We compute the balance on all share 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.

**MATURITY:** Your share certificate account will mature on the date shown on your certificate.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** Your share certificate account has certain minimum deposit and minimum balance requirements. The minimum deposit required for you to open your share certificate account and the minimum daily balance you must maintain to obtain the disclosed APY is shown on the enclosed Rate Sheet. You must maintain the minimum daily balance shown on the Rate Sheet in your share certificate account to avoid closure.

**RENEWAL OF ACCOUNT/GRACE PERIOD:** We will send you notice at least thirteen (13) days prior to the maturity date. Your account will automatically renew at maturity for the same time period as the original term unless you prevent renewal by sending us written instructions stating otherwise or by withdrawing all of the funds in your account at maturity or within a grace period of 7 days after maturity. If your account automatically renews and you withdraw principal after the grace period has expired, you will be charged the early withdrawal fee under the section that follows, "Early Withdrawal Penalty".

**DIVIDEND COMPOUNDING AND CREDITING:** Dividends compound daily and are credited monthly and at maturity. At your option, dividends may compound monthly on your certificate account. For certificates of one (1) year or less, you have the option of having dividends credited monthly and at maturity or at maturity only. If you choose not to have dividends compound, we will, at your option, either mail your dividends monthly or credit dividends to your Primary Savings account or Checking Account, as you may elect.

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 precedes the ending date of a dividend period and, for example, is the third Wednesday of every month.

If you close your certificate account before dividends are credited, you will not receive accrued dividends.

**TRANSACTION LIMITATIONS:** There may be certain transaction limitations associated with your share certificate account.

In general, you may not make deposits or withdrawals from your share certificate account before the maturity date except where indicated. Accrued dividends may be withdrawn at any time prior to maturity without penalty. Unless otherwise indicated, no withdrawals of principal are permitted prior to maturity without penalty.

Certain federal and state penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early and the maximum yearly contribution you may make to an IRA account is limited under the Internal Revenue Code. See your IRA account application and agreement for details.

**EARLY WITHDRAWAL PENALTY:** We may impose a penalty if you withdraw principal from your share certificate account at any time prior to maturity.

If the maturity date on your share certificate account is 12 months or less, the penalty will equal the loss of 90 days of dividends.

If the maturity date on your share certificate account is more than 12 months, the penalty will equal the loss of 180 days of dividends.

If any funds are withdrawn within 6 days of the issue date of your share certificate account, a penalty equal to the loss of 7 days dividends will be charged. This will reduce principal.

Early withdrawal penalties shall not apply for 1) accounts which are part of a pension plan which qualifies or qualified for specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect a lawful distribution of the funds evidenced by such account following the participant's death or disability or upon attaining 70-1/2 years of age; or 2) in the event of death of the holder of the certificate or is made pursuant to law (a court order, for example); or 3) such withdrawal is made as a result of a voluntary or involuntary liquidation of this Credit Union.

## **ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO SHARE CERTIFICATE ACCOUNTS**

Share Certificate accounts shall be governed by the following terms and conditions and are also subject to the special terms and conditions as may be described on the share certificate issued to you.

**TERM OF CERTIFICATE:** Share Certificates may be purchased for terms varying from 3 months up to 60 months. If we fail to pay a dividend on your account within 10 days after the date established for your account, you may withdraw the balance without penalty.

**OWNERSHIP OF CERTIFICATE ACCOUNT:** Share Certificate accounts may be held in joint ownership. However, upon maturity of the share certificate account, unless we have otherwise agreed to an alternative disposition as selected by you on the certificate, the entire balance and any accrued unpaid dividends will

be credited only to the first surviving named account owner's Primary Savings account as designated on the certificate. If any individual or all joint owners, as applicable, should die before the maturity date of the share certificate, then, unless otherwise designated on the share certificate, the proceeds of the share certificate account shall be immediately available to the surviving joint owner, or on the death of the last surviving joint owner, to the surviving named Pay-on-Death payee(s), if any. See the separate "Share Certificate Account Agreement" when a certificate is issued for terms and conditions, applicable to the share certificate account.

## **TERMS AND CONDITIONS APPLICABLE TO ALL TRUST ACCOUNTS (TOTTEN AND LIVING TRUST)**

### **1. TOTTEN TRUSTS:**

- A. The trustee(s) declare that the account is and that any and all sums credited to such account are and shall be, held by the trustee(s) and if there is more than one trustee, as joint tenants equally regardless of net contributions with right of survivorship and in trust for the Beneficiary(ies) named on the membership application and signature card or share certificate, reserving to the trustee(s) the right (1) to have dividends declared on share account(s) paid to them, and; (2) to revoke such trust in whole or in part, at any time or times by executing and delivering to us a request for withdrawal or pledge of shares of the whole or part of such share account, and such trust shall be revoked as to the whole or part to which such request relates
- B. In the event of the death or, if the account is held by more than one trustee(s), the death of the last surviving trustee, we will pay such share account amount to the Beneficiary if then living (if more than one Beneficiary is designated then equally to those Beneficiaries living at the date of the death of the trustee or the death of the last surviving trustee), but if there is no surviving Beneficiary, we shall pay such share account amount to the estate of the trustee or to the estate of the surviving trustee. There is no right of survivorship between Beneficiaries.
- C. A right of survivorship or a beneficiary designated in a trust account cannot be changed by Will.

### **2. LIVING TRUSTS:**

We will also permit you to open and maintain a Living Trust account. The account will be administered as any other share or other Credit Union account, as applicable, except that upon the death of all TruStors we will only pay the sums on deposit to a duly authorized successor Trustee. Living Trusts are further governed by our separate agreement with you when you establish a trust account.

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

1. If the transferor/custodian is opening an account as custodian for a minor named on the membership application and signature card or share certificate under the Uniform Transfers to Minors Act as applied in California or Florida, the transfer of money to the minor named on the membership application and signature card or share certificate, shall be deemed to include all dividends and any future additions thereto. The transfer is irrevocable and is made in accordance with and to include all provisions of said act, now in effect or hereafter amended.
2. You acknowledge that by signing the membership application and signature card or share certificate, you have received the funds deposited to the account as custodian for the minor named herein under the Uniform Transfers to Minors Act as applied in California or Florida.
3. The successor custodian named in the membership application and signature card or share certificate shall serve if you should be unable to act as custodian because you resign, die, or become legally incapacitated.
4. Uniform Transfer to Minors Accounts are further governed by our separate agreement with you when you establish a custodial account.

**ACCOUNT LIMITATIONS:** The account custodian is the only party on the account authorized to transact, withdraw funds or close the account. The credit union is the depository for the funds and has no responsibility to ensure the funds are disbursed to the minor upon attaining the age of majority (age 18).

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

1. If you open and maintain any fiduciary account you are representing to us that you are duly appointed and acting in the capacity of Executor / Executrix, Administrator / Administratrix, Guardian or Conservator and that by the authority vested in you, whether you are acting individually or jointly, you are authorized and empowered to transact business of any character.
2. You may pledge any or all shares on deposit in the account as collateral security to any loan(s) subject to then current loan policies, except that:
  - A. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this account agreement as well as the terms of the Checking Agreement.
  - B. If the account is blocked, you understand that you shall file with the Court a written receipt including the agreement with the Credit Union that the money in the account, including any earnings thereon, shall not be withdrawn or pledged except upon court order.

## **ORGANIZATION OR UNINCORPORATED NONPROFIT ASSOCIATIONS ACCOUNT**

The Credit Union offers accounts to eligible Members that are clubs or other unincorporated nonprofit associations. Non profit organizations include social, literary, educational, recreational, benevolent or other purpose not for profit. Eligibility requirements must be met prior to opening the account.

## **TERMS AND CONDITIONS APPLICABLE TO ALL ORGANIZATION OR UNINCORPORATED NONPROFIT ASSOCIATIONS**

1. If you open and maintain an organization or unincorporated nonprofit association account you affirm you are representing to us that you are duly appointed and acting in capacity for the said organization or association and that by authority given to you, whether as acting individually or jointly, you are authorized and empowered to transact business of any character.
2. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this account agreement as well as the terms of the Check Account Agreement.

**FOREIGN TRANSACTIONS:** Transactions in foreign currencies will be converted into U.S. dollar equivalent as of the date the transaction is processed. The currency conversion rate may differ from the rate in effect when the transaction occurred or when it posts to your Partners Checking Account. International transaction fees may be charged as stated in the attached Schedule of Fees.

## **SUBSTITUTE CHECKS AND YOUR RIGHTS**

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

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

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

### **WHAT ARE MY RIGHTS REGARDING SUBSTITUTE CHECKS?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

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

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

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

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 800.948.6677, send a message through Messages option on Partners Online Banking or write us at P.O. Box 10000, Lake Buena Vista, FL 32830. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

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

**PARTNERS!**  
FEDERAL CREDIT UNION

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