

Account Agreements & Disclosures



Your Lifetime Financial Partner

All information contained in this booklet is current as of February 20, 2012 and is subject to change.

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Account Terms and Conditions

This booklet contains important information about Northwest Federal Credit Union accounts. Please read it carefully and retain it for future reference. In this booklet, the terms “we,” “us,” “our,” “NWFCU” and “Credit Union” refer to Northwest Federal Credit Union. The terms “I,” “you” and “your” refer to each and all of those who apply for a service and who sign the Membership Application.

In the Remote Access section of this booklet, the term “card” refers to our automated teller machine (ATM), and debit cards. The term “Agreement” refers to any and all sections of this booklet and our Schedule of Fees. “Account” refers to your checking, savings or other member asset account, such as money market account (MMA). “Access Device” refers to a card, code or other means of access to a member’s account, or any combination that may be used for the purpose of initiating electronic funds transfers.

Trust Account – If a trustee is applying for remote access services, the terms “I,” “you” and “your” refer to the trustee, and any remote access transactions are authorized by you as trustee. You must sign the membership application with your designation as trustee.

Membership (Important Member Account Information)

- a. To join the Credit Union you must meet the membership requirements including the purchase and maintenance of at least one (1) share (“membership share”) as set forth in the Credit Union’s Bylaws. You authorize us to check your account, credit, and employment history, and obtain reports from third parties, including credit-reporting agencies, to verify your eligibility for the account(s) and services you request and to verify, from time to time, your eligibility for other Credit Union services and products. Photo verification of identity is required at time of account opening and will be photocopied for our records.
- b. The membership share required for Northwest Federal Credit Union is \$5.00. If the balance falls below \$5.00, and you do not increase that balance to at least \$5.00 by the end of six months, you may be terminated from membership.
- c. Dividends will begin to accrue on the business day you make the deposit to your account.
- d. We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits

made by mail 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. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account.

- e. In order to access any account, the Credit Union must have your authorized signature on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes, in good faith, that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person. If you give your account number to a third party, you authorize us to honor transactions initiated by the third party even if you did not specifically authorize a particular transaction.
- f. You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e. check, ATM, in person, by mail, automatic transfer, or telephone, as applicable). If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the check. The Credit Union may return as unpaid any check that is not drawn on the form provided by the Credit Union.
- g. If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends, and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.
- h. Current address. You agree to keep us informed of any change in your address (see Change of Address section). You understand that if you fail to maintain a current address we may charge your account a fee (see separate Schedule of Fees).
- i. Only an account owner, signer, or agent specifically named on an account is entitled and can have access to information concerning the account. If there are multiple account owners, signers or agents on an account any of them may obtain information pertaining to that account.
- j. Your accounts are nonnegotiable, nonassignable and nontransferable to another person or entity, which means that you may not endorse, transfer, secure or pledge any of your accounts to a person or entity other than us for any reason.
- k. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.
- l. Preservation of Account Records. The Credit Union may rely on records preserved electronically, such as optically imaged or computer scanned images, as permitted by law.
- m. Financial Awareness Network Agreement. If your NWFCU membership eligibility is based upon membership in the Financial Awareness Network (FAN), you agree to NWFCU sharing your name, address and phone number or email address with FAN. As a FAN member, you will receive their communications.
- n. Important Information About Procedures for Opening a New Account. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What This Means for You. When you open an account, we will ask you 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.

Ownership of Account and Beneficiary Designation

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. Unless contrary direction is given, upon the death of a party the funds in a multiple party account shall belong to the surviving party or parties. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine the ownership of remaining account funds. We reserve the right to refuse some forms of ownership on any or all of our accounts.

- Individual Account – An account owned by one person.
 - Joint Account – An account owned by two or more persons.
 - Rights of Survivorship – For a joint owner (multiple party) account, the existence or non-existence of survivorship rights is established by designation on the Membership Application.
 - Joint Account–With Survivorship, then, on the death of an owner of the account, the deceased owner’s interest in the account passes immediately to the surviving owner(s) of the account.
 - Joint Account–Without Survivorship, then, on the death of an owner of the account, the deceased owner’s interest in the account passes as a part of that owner’s estate under the deceased owner’s will, trust, or by intestacy.
- If no designation is made, or if the designation is unclear, a Joint Account with rights of survivorship will prevail. A surviving owner’s interest is subject to the Credit Union’s statutory lien for the deceased owner’s obligations, and to any security interest or pledge granted by a deceased owner, even if the surviving owner did not consent to it.
- Revocable Trust or Pay-On-Death (POD) Account – if two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries acquire the right to withdraw only if: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time.

Fiduciary Accounts (Accounts for Trusts, Wards, Conservatorships, Beneficiaries, Estates, etc.)

When you open an account to hold the funds of an estate, trust, guardianship, conservatorship or court ordered purpose (or for any other legal and/or fiduciary relationship or purpose), you understand and acknowledge that we are only providing you, as the account owner, with an account to hold funds for the fiduciary account. You further understand and acknowledge that you as the account owner are totally and completely responsible for fulfilling the duties and responsibilities of the fiduciary account and that we need only rely on and adhere to the terms, responsibilities and liabilities of this agreement. Furthermore, you and all persons associated in any way with the fiduciary account, agree to indemnify, defend, and hold us harmless for any loss, damage, claim or liability asserted against us for our actions taken pursuant to this agreement (and all disclosures, bylaws, policies and procedures incorporated by reference) that occurs as a result of opening, using and closing this account. We may require you to substantiate your authority to negotiate a check not specifically made payable to you before accepting it for deposit, and may require you to deposit the check into the specific account pertaining to the payee of the check.

Custodian Account/Virginia Uniform Transfer to Minors Account (VUTMA)

As a member you may open and own an account to hold the funds of a minor (a person less than 18 or 21 years of age) under the state’s Uniform Transfers to Minors Act. All funds in the account are considered to have been donated to the minor by way of an irrevocable gift. Solely the Custodian, who is responsible to direct the funds in a manner beneficial to the minor, controls each account. The Credit Union will not be responsible for determining if a person purporting to act as Custodian has been duly designated, nor are we

obligated to inquire into the validity or propriety under the VUTMA of any act of or instrument or instructions executed by such person, nor are we bound to see to the application by such person of any money paid or delivered to him/her. Custodian Accounts are available to minors up to the age of 18 or 21 years, at the option of the Custodian. Once the minor member reaches the designated age, the Custodian must turn over any and all funds to the member. If no age is designated on the Account application, the default age will be 18 years. The Custodian directs the Credit Union to pay the entire balance in the account to the minor upon the minor's request after reaching the age of 18 or 21, as specified in the UTMA application and signature card.

Account for Minors

A child (a person less than 18 years of age) who is within the field of membership may open and/or own an account with us, may conduct transactions on the account, and is subject to the terms, responsibilities and liabilities of this agreement.

We reserve the right to require any account established and/or products and services requested by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. When the minor reaches the age of majority, the joint owner may be removed provided that we receive written authorization from that joint owner. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction.

Account for Member Entities

Entities that qualify for membership can open and own a one-owner account, and both the entity and its designated signers are subject to the terms, responsibilities and liabilities of the agreement. We may require any signer to provide proper evidence of the entity's existence (e.g., articles of incorporation, partnership letter, etc.) and his or her identity as a signer prior to opening the account. We reserve the right to require that all checks made payable to an entity be deposited to the entity's account.

Furthermore, we reserve the right to require any signer requesting a change to show us authority for the change from the entity's governing body (e.g., a resolution by the board of directors, certified partnership letter, etc.), and each signer's authority as a signer to make the requested change to the account.

Power of Attorney

If you or your agent furnishes us with a copy of a power of attorney that includes authority over your Accounts, you will be deemed to be exercising that power in Virginia, and be subject to the provisions of Virginia law governing such agencies. We reserve the right to require that person to prove the authenticity of the power of attorney, and both his or her authority to act as your agent and his or her identity as your agent prior to allowing him or her to open, conduct transactions on, change or close an account. Further we may require an affidavit from the agent stating that the power of attorney presented to us is a true copy and that, to the best of the agent's knowledge, the principal is alive and that the relevant powers of the agent have not been altered or terminated. We may presume, in the absence of actual knowledge to the contrary, that the agency was validly executed, that the principal was competent at the time of execution, and that, at the time of reliance, the principal is alive, the agency and the relevant powers of the agent have not terminated or been amended, and that the acts of the agent conform to the standard required by law.

Once you have designated an agent(s) it is your responsibility (not the Credit Union's) to monitor an agent's transactions on the account, and you agree that we have no duty or responsibility to monitor, inquire about, or notify you of the use and purpose of any transaction conducted by your agent on the account, or assure that any transaction is for your benefit. The agent's authority to conduct transactions will continue until you terminate that authority with us or until we receive written notice of your death and have a reasonable opportunity to act on that notice.

Additionally, if we elect to rely on your power of attorney, both you and your agent agree to indemnify, defend, and hold us harmless for any loss,

damage, claim or liability that occurs as a result of our reliance on the power of attorney.

Escheat Notice

Under Virginia law, all funds in a dividend bearing account become the property of this state after the account has been inactive for 5 years and notice is sent to the member or depositor at the member's or depositor's last known address. This account will be considered inactive if the member or depositor has not: (1) increased or decreased the amount in the account; or (2) voted in the Board of Directors election; or (3) otherwise indicated an interest in the account as evidenced by a memorandum on file with this credit union. You understand that your account may be subject to a monthly fee (see separate Schedule of Fees) after one (1) year of inactivity during which no contact by you (the member) has been made.

Non-Virginia Residents: If required by the laws of the state in which you reside, we will follow the applicable unclaimed property and escheat laws for that state.

Share Savings Account

Minimum Balance

The minimum balance required for Northwest Federal Credit Union membership is \$5.00.

Dividends

The dividend rate for Share Savings Accounts is subject to change and declared by the Board of Directors each month. The rate is effective the first day of the following month.

Dividends are paid on the daily balance, from the day of deposit to the day of withdrawal, compounded daily and posted monthly. If a Share Savings Account is closed, the dividend posting is made on the closing date.

Dividends are paid from available earnings after transfers to required reserves.

Restrictions

The Share Savings Account is a non-transaction account and as such you may make up to six (6) preauthorized, automatic, telephonic, or audio response transfers or withdrawals by check, debit card or similar order to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against (see separate Schedule of Fees), suspend or close your account.

You may make unlimited transfers to any of your Credit Union loan accounts, and withdrawals of available funds in person, by mail, or at an ATM.

This Account is subject to Northwest Federal Credit Union's right to require advance notice of withdrawal as provided in Northwest Federal Credit Union's bylaws.

Fees and Charges

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

Joint Account Agreement

Northwest Federal Credit Union is hereby authorized to recognize any of the signatures subscribed hereto in the pledge to us all or any part of the shares without the consent of the other owner(s) or payment of funds or in the transaction of any business for this Account. The joint owners of this Account hereby agree with each other and with said Northwest Federal Credit Union that all sums now paid into this Account, or heretofore or hereafter paid into this Account, by any or all of said joint owners with all accumulations therein, are and shall be owned by them jointly, and be subject to the withdrawal or receipt of any of them, and payment to any of them or the survivor(s) shall be valid and discharge said Northwest Federal Credit Union from any liability for such payment.

Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner

guarantees the signature of any other owner(s). Any owner may withdraw all funds or stop payment on items without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction of any business for this Account. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act.

If a deposited item in a joint account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the parties, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any party on an account is indebted to us, we may enforce our rights against any account of a party or all funds in the joint account regardless of who contributed them.

A joint owner may not close the Share Account, nor may a joint owner apply for loans, including credit cards, unless they are a primary member on their own NWFCU share account. A joint owner also may not remove the membership share without the express written authorization of the Primary Member. No primary member or joint owner(s) may remove another owner without the express written authorization of that joint owner. A joint owner may remove themselves from the account only at the express written authorization of that joint owner.

The right or authority of the Northwest Federal Credit Union under this agreement shall not be changed or terminated by said owners, or any of them, except by written notice to the Northwest Federal Credit Union which shall not affect transactions theretofore made.

Checking Account Dividends

Dividends

The dividend rates for dividend-earning checking accounts are subject to change and are declared by the Board of Directors each month and are effective the first day of the following month.

Dividends are computed on the daily balance. They are calculated from the day of deposit to the day of withdrawal, compounded daily and posted monthly. If a dividend-earning checking account is closed, the dividend posting is made on the closing date. Any further deposits made to the checking account after the closing date will be transferred to the Share Savings Account.

Dividends are paid from available earnings after transfers to required reserves.

Overdrafts

There will be a fee charged for all return items. Funds must be available to clear checks at the time they are presented for collection. Northwest Federal Credit Union will not contact members concerning overdrafts or uncollected items. All new Checking Accounts have automatic overdraft protection from share savings account and are allowed up to six (6) overdraft protection transfers per month. Members may request to use a Northwest Federal Credit Union Credit Card, Money Market Account (MMA), Line of Credit (LOC) Loan, or Member Protection Plan for overdraft protection.

Online Banking

Transfers – Online Banking will not authorize instant transfers unless the funds are available at the time you set up the transfer. For future dated transfers, Online Banking will not complete the transfer if the funds are not available in your account at the scheduled time.

Bill Payments - We reserve the right to reject or reverse a bill payment if the funds are not available at the time the bill payment posts. If we do not exercise our right to reverse or reject a payment, your overdraft protection will be activated and the bill payment will be completed. See separate Bill Pay Agreement by logging into Online Banking at www.nwfcu.org for complete terms.

Service Charges

See separate Schedule of Fees.

Checking Account Agreement

- a. Only checks and other methods approved by Northwest Federal Credit Union may be used to withdraw funds from this Account.
- b. All non-cash payments received in this Account will be credited subject to final payment.
- c. Northwest Federal Credit Union will reimburse itself for any check which it pays to the extent by which such check exceeds the checking balance in this Account, by transferring sufficient funds from your regular share account, MMA or, if applicable, credit line, or Member Protection Plan. Such advances from the account shall not exceed the balance in your regular share account nor the available credit or Member Protection Plan limit.
- d. Northwest Federal Credit Union is under no obligation to pay a check that exceeds the fully paid and collected share balance in this Account. However, Northwest Federal Credit Union may, at its discretion, pay such a check. If Northwest Federal Credit Union does pay such a check, You agree that Northwest Federal Credit Union shall be immediately reimbursed, by one or more of the owners, to the extent that such a check exceeds the balance in this Account. Such reimbursement shall be in cash, unless another manner of reimbursement has been authorized.
- e. Northwest Federal Credit Union may pay a check on whatever day it is presented for payment, notwithstanding the date (or any other limitation on the time of payment) appearing on the check.
- f. When paid, checks become the property of Northwest Federal Credit Union and will not be returned either with the periodic statement of this Account or otherwise. Copies of such checks will be provided, if requested, and Northwest Federal Credit Union may charge a fee for providing copies. See separate Schedule of Fees.
- g. Except for negligence, Northwest Federal Credit Union is not liable for any action it takes regarding the payment or nonpayment of a check.
- h. This Account is also subject to such other terms, conditions and service charges as Northwest Federal Credit Union may establish from time to time. Northwest Federal Credit Union may change the terms and conditions of this Account, upon giving a 30-day written notice. Notice may be given by U.S. mail, first class, postage prepaid to your last known address, as reflected in Northwest Federal Credit Union's records.
- i. We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. An example of a restrictive legend is "not valid for more than \$1,000."
- j. Electronic check conversion – You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to:
 - (i) Pay for purchases.
 - (ii) Pay for bills.
- k. Information from your check can be used to initiate a one-time electronic fund transfer from your account.

Overdraft Liability

If on any day, the funds in your checking account are not sufficient to cover checks, fees or other items posted to your account, those amounts will be handled in accordance with an overdraft protection plan you have with us. The Credit Union's determination of an insufficient account balance may be made at any time between presentation of the item and the Credit Union's processing deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds check. Except as otherwise agreed in writing, the Credit Union, by paying one or any overdraft does not agree to pay overdrafts in the future and may discontinue paying overdrafts at any time without notice. If the Credit Union pays a check or imposes a fee that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time including giving a payor bank extra time beyond any deadline limits.

Overdraft Protection Plan

If we have approved an overdraft protection plan for you, we will honor checks drawn on insufficient funds in your account by transferring the necessary funds from another account under this Agreement. The fee for overdraft transfers, if any, is set forth on the Schedule of Fees. Transfers from an account will be governed by this Agreement. Transfers from a loan account

will be governed by the applicable loan agreement. Transfers from the Member Protection Plan will be governed by the Member Protection Plan Policy and this agreement. Your Share Savings Account, Money Market Account, Credit Card, Line of Credit, or the Member Protection Plan may be approved to serve as overdraft protection on your account upon request.

Money Market Account (MMA)

Minimum Balance

There is no minimum balance requirement for Money Market Accounts.

Dividends

Dividend rates for Money Market Accounts are tiered, with the higher balances earning higher returns. The dividend rate for Money Market Accounts is subject to change and is declared by the Board of Directors each month and is effective the first day of the following month.

Dividends are computed on the daily balance according to the tier level on that day. They are calculated from the day of deposit to the day of withdrawal, compounded daily and posted monthly. If a Money Market Account is closed, the dividend posting is made on the closing date.

Dividends are paid from available earnings after transfers to required reserves.

Restrictions

The Money Market Account is a non-transaction account and as such you may make up to six (6) preauthorized, automatic, telephonic, or audio response transfers or withdrawals by check, debit card or similar order to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against (see separate Schedule of Fees), suspend or close your account.

You may make unlimited transfers to any of your Credit Union loan accounts, and withdrawals of available funds in person, by mail, or at an ATM.

This Account is subject to Northwest Federal Credit Union's right to require advance notice of withdrawal as provided in Northwest Federal Credit Union's bylaws.

Secured Loans

The Money Market Account cannot be used as security for a loan.

Service Charges

See separate Schedule of Fees.

Money Market Account Agreement

It is further agreed that:

- a. Only Money Market checks and other methods approved by Northwest Federal Credit Union may be used to withdraw funds from this Account.
- b. All non-cash payments received in this Account will be credited subject to final payment.
- c. Northwest Federal Credit Union is under no obligation to pay a Money Market check that exceeds the fully paid and collected share balance in this Account. However, Northwest Federal Credit Union may, at its discretion, pay such a check. If the Credit Union does pay such a check, one or more of the signers on this account as determined by Northwest Federal Credit Union will reimburse us, to the extent that such a check exceeds the share balance in this Account. Such reimbursement shall be in cash, unless another manner of reimbursement has been authorized.
- d. Northwest Federal Credit Union may pay a Money Market check on whatever day it is presented for payment, notwithstanding the date (or any other limitation on the time of payment) appearing on the Money Market check.
- e. This Account is eligible to receive direct deposits, payroll deductions and to have proceeds transferred from other accounts.
- f. This Account is not limited to maximum or minimum deposits.
- g. When paid, the Money Market check becomes the property of Northwest Federal Credit Union and will not be returned either with the periodic statement of this Account or otherwise. Copies of such Money Market checks will be provided if requested, and Northwest Federal Credit Union may charge a fee for providing copies. See separate Schedule of Fees.

- h. Except for negligence, Northwest Federal Credit Union is not liable for any action it takes regarding the payment or nonpayment of a Money Market check.
- i. Statements showing activity on this Account shall be provided to the depositors monthly. Any objection regarding any item shown on a periodic statement of this Account is waived unless made in writing to Northwest Federal Credit Union before the end of 60 days after the statement is provided.
- j. This Account is subject to Northwest Federal Credit Union's right to require 7 days advance notice of withdrawal as provided in Northwest Federal Credit Union's bylaws.
- k. This Account is also subject to such other terms, conditions, and service charges as Northwest Federal Credit Union may establish from time to time. Northwest Federal Credit Union may change the terms and conditions of this Account, upon giving 30 days written notice. Notice may be given by U.S. mail, first class, postage paid, to your last known address as reflected in Northwest Federal Credit Union's records.
- l. If more than one person signs the Money Market Application and account agreement, the persons signing shall be the joint owners of this Account which, in any event, shall be subject to the terms of the joint owner agreement.
- m. This Account is eligible to be used as a source of overdraft protection.
- n. Northwest Federal Credit Union reserves the right to close or convert to a draft account any account that exceeds the allowable electronic transaction limit on more than an occasional basis. You hereby authorize Northwest Federal Credit Union to establish this Money Market Account for you. Northwest Federal Credit Union is authorized to pay checks signed by you (or by any account holders) and to charge all such payments against the shares in this account.
- o. Electronic check conversion – You may authorize a merchant or other payee to make a one-time electronic payment from your Money Market account using information from your check to:
 - (i) Pay for purchases.
 - (ii) Pay for bills.
- p. Information from your check can be used to initiate a one-time electronic fund transfer from your account.

Holiday Club Account

Minimum Balance

The minimum balance requirement for the Holiday Club Account is \$5.00.

Dividends

The dividend rate for Holiday Club Accounts is subject to change and declared by the Board of Directors each month. The rate is effective the first day of the following month.

Dividends are paid on the daily balance, from the day of deposit to the day of withdrawal, compounded daily and posted monthly. If a Holiday Club Account is closed, the dividend posting is made on the closing date.

Dividends are paid from available earnings after transfers to required reserves.

Restrictions

Withdrawals cannot be made from the Holiday Club Account.

If an immediate need for the funds arises, the account can be closed by contacting one of our branch offices. Should the account be closed prior to the scheduled disbursement date, a new Holiday Club Account cannot be opened prior to the next Holiday Club Year.

Holiday Club Accounts cannot be accessed through ATMs.

The Holiday Club Account is restricted to shares only and cannot be used as security for a loan.

Disbursement of Funds

Funds will automatically be transferred on the last business day of September to your Checking or Share Savings Account.

Service Charges

See separate Schedule of Fees.

Funds Availability

The funds availability policy applies to all Northwest Federal Credit Union transaction accounts. Northwest Federal Credit Union's business days, for determining the availability of your deposits, are Monday through Friday, with the exception of federal holidays.

Our policy is to make funds available immediately on the full amount of your deposit if you made the deposit in cash, by wire transfer or direct deposits. You may withdraw funds immediately on the full amount for the following types of checks, if they are made payable to you: government checks, cashier's checks, certified checks, teller's checks, postal money orders and payroll checks.

On checks other than the above, our policy is to make up to **\$500.00 of a day's total check deposit** immediately available. The balance of the deposit will be made available on the second business day after the day of deposit.

Longer Delays May Apply

Funds you deposited by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposited will not be paid
- You deposited checks totaling more than \$5,000.00 on any one given 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 communications or computer 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 fifth business day after the day of your deposit.

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

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 deposits of cash, wire transfers, and electronic direct deposits to your account will be available on the day we receive the deposit. We will make up to **\$100.00 of a day's total deposit** of any checks available immediately. The first \$5,000.00 of a day's total deposits of **cashiers, certified, teller, and federal, state and local government checks, postal money orders and payroll checks** will be available on the **first** business day after the day of your deposit if they are made payable to you. The excess over \$5,000.00 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 \$5,000.00 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 ninth business day after the day of your deposit.

Online New Account Deposit

To allow for processing, initial deposits in excess of \$100.00 funded through our online application will be available on the seventh business day after the day of deposit. Please refer above for additional information on new account deposits and funds availability.

Deposits at Automated Teller Machines (ATMs)

Funds from any deposits made at an ATM we own or operate are subject to the general funds availability policy of NWFCU.

Any deposits (cash or checks) to new accounts made at automated teller machines (ATMs) we own or operate will have the first \$500.00 available for withdrawal immediately. All other remaining amounts from that deposit may be held up to 9 days pending deposit verification.

Deposits at Shared Branches

Any transactions conducted at a shared branch (not owned by NWFCU) are subject to the funds availability policy of NWFCU.

Stop Payment Orders

Subject to certain limitations, you may order the Credit Union to stop payment on any check or other item payable from your Account, whether drawn by you or an authorized signer. The stop payment request will be effective if we receive the stop payment order at such time and in such manner as to afford us a reasonable opportunity to act upon it. The Credit Union will confirm each stop payment request, verbal and written, with you in writing so that each request will be effective for six (6) months, unless you notify the Credit Union otherwise. We reserve the right to require verbal requests to also be submitted in writing. If a written request is required, it must be mailed to us within 14 days after your verbal request. A stop payment order sent via a secured electronic message will be considered as having been given in writing. A stop payment order may be renewed for additional six (6) month periods if renewed during the effective time period. We will require you to specifically identify the check by providing the date, the amount, the number, and the name of the payee on the check. If you give us incorrect information, Northwest Federal Credit Union will not be liable for failing to stop payment on the item. Our acceptance of a stop payment order will not constitute a representation that the item has not already been paid or that we have a reasonable opportunity to act upon the order.

Cashier's Checks, Teller's Checks and Certified Checks

You may not stop payment on a cashier's, teller's, or certified check issued by us, or request us to stop payment if we have otherwise become accountable for the item that you purchased from the Credit Union. In the event a cashier's check, teller's check and certified check is lost or destroyed, please contact us for the procedures to follow to make a claim for reimbursement or to have the cashier's check, teller's check and certified check reissued. In general, you will have to complete a Declaration of Loss form, describing the cashier's check and how it came to be lost, stolen, or destroyed, and sign the Declaration of Loss under penalty of perjury. We must then wait 90 days from the date of the cashier's check or teller's check or 90 days from the date of certification for a certified check before we can pay your claim. If 90 days has already passed, then we will act on our claim within a reasonable time. If the check is presented during the 90-day waiting period, we may pay the item to a person entitled to enforce the check. If this happens, we will not pay your claim.

Remote Access

Remote Access Services Terms and Conditions

The following disclosures set forth your and our rights and responsibilities concerning electronic funds transfers (EFTs). Electronic funds transfers are electronically initiated transfers of money involving online account access, automated teller machines (ATMs), Debit MasterCard®, and *NorthwestXpress* Bank-by-Phone services.

Section I. Applicable to All Remote Access Services

1. Remote Access Services Agreement

- The EFT access device (ATM Card, Debit MasterCard®, *NorthwestXpress* PIN or Online Banking password) is for your use, and you assume responsibility for all transactions.
- The Access Device is the property of Northwest Federal Credit Union and is subject to cancellation at any time. If Northwest Federal Credit Union provides you with a Card as an access device, then the Card must be returned to Northwest Federal Credit Union upon request or may be impounded automatically by the ATM. You may cancel Card privileges by notifying Northwest Federal Credit Union in writing and physically surrendering the Card.
- You will be assigned a Personal Identification Number (PIN) if you are using a Card. Only you know your PIN. NWFCU does not have access to, and we will never ask for, your PIN. At no time will you reveal or make available the PIN to any other person. You must not write your PIN on the back of your Card nor keep your PIN with your Card. You will establish a PIN over a Touch-Tone telephone if you are using *NorthwestXpress*. When you enroll in the Online Banking program you will be issued an initial password. To ensure confidentiality and authorized access to your Account(s), you should change the password issued at application immediately upon logging in.

- Any loss or theft of the Card and/or PIN, as well as any unauthorized transfers, must be promptly reported to Northwest Federal Credit Union. If we believe that your card and or PIN has or may be compromised, we will cancel the Access Device. At the discretion of the credit union, we may reissue a new Access Device.
- The use of the EFT access device is subject to the existing regulations on shares, checking, money market accounts and lines of credit. You agree not to withdraw funds in excess of the balance in your Account.
- You promise to pay Northwest Federal Credit Union immediately upon demand for any overdraft in your Account. Northwest Federal Credit Union will deduct the amount of any overdraft on your Account from any other Account you have with Northwest Federal Credit Union, except an Individual Retirement Account.
- All transactions debited and/or credited from your Account are subject to verification and final payment.
- Nothing in this agreement shall be deemed to annul, limit, or in any way modify any other obligations or relationships you have with Northwest Federal Credit Union now or hereafter.
- You understand that use of the access device will constitute acknowledgment of receipt of this disclosure and acceptance of the terms and conditions contained in this Agreement.
- Transactions conducted at ATMs are posted immediately to your account. Transactions conducted after 8:00 P.M. (Eastern Time) on any business day, or on weekends or holidays, are posted on the next business day.

2. *Electronic Funds Transfers*

EFT deposits, including payroll, annuity, and social security direct deposits, received prior to 7:00 A.M. ET will be available by 8:00 A.M. ET the same day received. Funds received after 7:00 A.M. ET will be available by 8:00 A.M. ET the next business day.

3. *Lost or Stolen ATM or Debit MasterCard®*

Notify us at once to report a lost or stolen NWFCU ATM or Debit MasterCard®. Call 703-709-8901 or 1-866-709-8901 during normal business hours. To report the loss or theft of your Card after business hours, call *NorthwestXpress* at 703-709-6917 or 1-800-754-4128.

4. *Your Liability for Unauthorized Transfers*

If you believe your ATM Card or Debit MasterCard® has been lost or stolen, or that your Personal Identification Number (PIN) has been discovered by someone else, or that someone else has conducted, or may conduct an automated banking transaction without your permission, contact us immediately at 703-709-8901 or 1-866-709-8901, or write to us at the address disclosed at the end of this agreement.

Telephoning us is the fastest way of alerting us and keeping your possible losses to a minimum.

Generally, your liability for unauthorized use of your Card for ATM transactions or your password for Online Banking and/or NorthwestXpress transactions is limited to an amount not greater than \$50.00, provided you notify us within 2 business days after learning of the loss or theft of the Card. You could lose as much as \$500.00 if you do not notify us within 2 business days after you learn of the loss or theft of your Card or the compromising of your PIN, and we prove we could have prevented the unauthorized use of your Card or PIN if you had told us sooner.

Also, if your statement of account shows transfers that you did not make, contact Northwest Federal Credit Union at once. If you do not contact us within 60 days from the date the statement was mailed to you, you may not be able to get back any of the funds you lost if we can prove that we could have prevented someone from taking funds had we been notified in time. If you report to us during this time, your liability for the unauthorized transactions will not exceed \$50.00.

If a good reason, such as a long trip or a hospital stay, kept you from telling us, we will extend the time periods. In some circumstances when you phone you may be asked to follow up with a written statement.

5. Error Resolution Procedures

If you think that a statement is incorrect, a receipt for an ATM electronic transfer is wrong, or if you need more information about a transfer listed on your statement or receipt, contact Northwest Federal Credit Union immediately at 703-709-8901 or 1-866-709-8901, or write to us at the address disclosed at the end of this agreement.

Northwest Federal Credit Union must hear from you no later than 60 days after we sent the first statement on which the suspected error or problem appeared. When you contact us, tell us:

- Your name and account number
- 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
- Tell us the dollar amount of the suspected error

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days. If we ask you to put your question in writing and we do not receive it within 10 business days, we may not be able to provisionally credit your Account. We will tell you the results of our investigation within 10 business days (20 business days for an error involving an electronic fund transfer to or from the account within 30 days after the first deposit to the account was made) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 calendar days (90 days for POS transactions, transactions occurring within 30 days after the first deposit to the account was made, and transactions which occur outside the United States and its territories) to investigate your complaint or question. If we decide to do this, we will provisionally 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 we decide that there is no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that were used in the investigation.

6. Limitations on Transfers

Federal Reserve Board Regulation D places a total limit of six (6) preauthorized or electronic transactions a month between your share and money market accounts and any other account at Northwest Federal Credit Union, including checks, drafts, or other similar orders drawn by you and payable to a third party. **Transactions included in the Regulation D limit of 6 per month are: overdraft protection transfers from share to checking; NorthwestXpress transfers, MMA checks, teller checks to third parties requested by phone or mail, preauthorized transfers, Automated Clearing House (ACH) payments, and Online Banking transfers. Transfers to loan accounts are not included.**

7. Liability for Incomplete Transactions

We will be liable for your losses or damages if we do not properly complete a transfer to or from your Account on time or in the correct amount according to our agreement with you. There are, however, some exceptions. Northwest Federal 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. Northwest Federal 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. We will not be liable if:

- You were trying to defraud us.
- Through no fault of ours you did not have enough money in your Account to make the transfer.
- Through no fault of ours the transfer would exceed a credit line.
- The ATM did not have enough cash and, despite information to that effect showing on the screen, you proceeded with the transaction.
- The ATM, ATM system, or remote service (*NorthwestXpress* and Online Banking included) was not functioning properly and you knew of this before you started the transaction, or other equipment or software malfunctions occurred at the time you initiated the transaction.

- *NorthwestXpress* and Online Banking: If your own touch-tone telephone, personal computer, modem or related equipment was not functioning properly.
- If circumstances beyond our control (for example fire or flood) prevent the transfer, despite reasonable precautions we have taken.
- The funds in your Account are subject to legal process or an encumbrance restricting such transfer.
- Any other exceptions listed in your agreement with Northwest Federal Credit Union.

8. *Disclosure of Account Information to Third Parties*

Northwest Federal Credit Union will disclose information about your Account or the transfers you make to third parties only in the following instances:

- When it is necessary to complete the transfer.
- In order to verify the existence and condition of your Account for a third party such as a credit bureau or a merchant.
- To comply with a court order or information request or other requirement of a Government Agency as required by Law or Federal Regulation (as specified by the Bank Secrecy Act, USA Patriot Act, Privacy Act of 1978, Gramm-Leach-Bliley Act, and the Federal Credit Union Act and amendments thereto).
- When you have given Northwest Federal Credit Union written permission to do so.
- To protect against identity theft and fraud losses.

9. *Transaction Limitations*

ATM and Debit MasterCard®

Assuming available funds are in your Account, you may withdraw up to \$500.00 within a 24-hour period from a Northwest Federal Credit Union ATM. The maximum you may withdraw from a non-Northwest Federal Credit Union ATM within a 24-hour period is up to \$500.00 or the daily limit imposed at the ATM. There are no limits on ATM transfers. The maximum daily limit on POS transactions is up to your available checking account balance or \$2,500.00, whichever is less. There is no overdraft protection with POS or debit card transactions unless you request and are approved for the Member Protection Plan. We do reserve the right to set other limitations at a future date as deemed necessary.

Deposits made at an ATM are subject to the Funds Availability Policy of NWFCU.

NorthwestXpress

Transfers will be posted online at time of request.

Online Banking

Assuming available funds are in your account, you may:

- Request check withdrawals from your account(s). You may make unlimited withdrawals from available funds per calendar day. These check withdrawals will be made payable to the primary name on your Account and sent to the address of record on your Account.
- Request credit card or LOC loan advances, in check form, up to a maximum of \$2,500.00 per calendar day.
- Conduct unlimited transfers within the same account number, in accordance with Federal Regulation D (see Section I.6).

Bill Pay

As part of the enrollment into Bill Pay Services, you agree that we, or a third party acting as our agent, reserve the right to request a review of your credit score from one or more credit reporting agencies (Equifax, Experian, TransUnion, Innovis) for purposes of determining your payment limits. See separate Bill Pay Agreement by logging into Online Banking at www.nwfcu.org for complete terms.

10. *Charges for Remote Access Transactions*

There is no charge for using your ATM or Debit Card at Northwest Federal Credit Union owned ATMs. There will be a nominal fee charged per transaction for using your Card at a non-Northwest Federal Credit Union ATM that participates in the STAR and/or the Cirrus Networks. Balance inquiries and attempts to conduct transactions that are invalid are considered transactions and are charged as such. We do reserve the right to impose additional fees or change existing fees to the extent the law permits with proper notification. See separate Schedule of Fees.

If you effect an ATM transaction at a non-U.S. ATM location that dispenses in a currency other than U.S. dollars, Cirrus System, Inc. will convert the local currency amount into a U.S. dollar amount. Cirrus System, Inc. will use its currency conversion procedure. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars is, in most cases, either a government-mandated rate or the wholesale rate in effect the day before the U.S. date of the transaction, increased by one-percent.

Surcharges

Many banks and other owners of card systems, such as STAR and Cirrus® Network ATMs, charge a surcharge over and above the initial transaction charge. Some of these charges may be considerable, but should be posted on the machine you are using. Northwest Federal Credit Union has no control over the charges.

All NWFCU members using your NWFCU ATM or Debit Card can avoid transactions and surcharge fees at CO-OP Network and Alliance One ATMs. These surcharge-free ATMs are located across the U.S.

11. Documentation of Remote Access Transactions

You will be given the option to receive a receipt at the time you make any transaction from your Account using our ATM. You will receive a monthly statement of your share, checking, MMA and line of credit accounts where each transaction conducted with your ATM Card, Debit MasterCard® and/or through *NorthwestXpress* or Online Banking will be detailed. If you have arranged for direct deposits to be made to your account at least once every 60 days from the same payor, then we will provide you with oral or written notice of whether the transaction has occurred unless the payor provides you with confirmation. You may call us at 703-709-8901 or 1-866-709-8901 to confirm the transfer.

12. Rights and Procedures for Preauthorized Transfers

If you arranged in advance to have regular payments — other than Bill Payer payments — made from your Account, you can stop any of these payments. Contact the Northwest Federal Credit Union at least three (3) business days or more before the payment is scheduled to be made by calling 703-709-8901 or 1-866-709-8901 or writing to us at the address disclosed at the end of this agreement.

If you call, we may also require that you put your request in writing and mail it to us within 14 days after your call. If a request is made for written confirmation, the oral stop-payment request will cease to be binding after 14 days.

If you order Northwest Federal Credit Union to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

If the preauthorized payments vary in amount, the person or company 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.

13. Business Days

Our business days are Monday through Friday from 8:00 A.M. to 4:30 P.M. ET, exclusive of holidays.

Section II. Automated Teller Machine (ATM) Card

1. NWFCU ATM Access

You may use your Card and PIN to conduct the following transactions at Northwest Federal Credit Union ATMs:

- Withdraw cash from your share savings, checking and money market accounts.
- Receive cash advances from your credit card line of credit or your Line of Credit (LOC) Loan.
- Deposit funds into your share, checking and money market accounts.
- Conduct balance inquiries on your share, checking and money market accounts.
- Make loan payments, including second mortgage payments.
- Transfer funds on the same account number between shares, checking,

MMAAs, and loans. Transfers conducted at ATMs after 4:00 P.M. (ET) may occur after checks you have written are posted to your account.

2. Other ATM Access

You may use your Card and personal identification number (PIN) to conduct transactions at ATMs participating in the STAR, Cirrus®, Alliance One and CO-OP Network ATMs. At the present time, you may use your Card to conduct:

- Balance inquiries on your share and checking accounts.
- Withdrawals from your share and checking accounts.
- Cash advances from your credit card line of credit or your Line of Credit (LOC) Loan.
- Fund transfers on the same account number between shares and checking.

NOTE: STAR and Cirrus® ATMS CANNOT ACCEPT DEPOSITS OR LOAN PAYMENTS. Some CO-OP Network ATMs may accept deposits. Visit www.nwfcu.org for more information.

3. Point of Sale (POS) Access

Your Card allows you to pay for purchases at participating retailers displaying the STAR logo through POS. Instead of paying cash or writing a check, you insert your Card into the card reader, key in your PIN, and your checking account is automatically debited for the purchase. There is no NWFCU charge for POS transactions.

Section III. Debit MasterCard®

Your Debit MasterCard® is both an ATM card and a debit card. You may use your Debit MasterCard to purchase goods and services any place MasterCard is honored by participating merchants and merchants accepting the Card and PIN at point of sale (POS) terminals. Funds to cover your Card purchases will be deducted from your Checking Account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request pursuant to any applicable overdraft protection plan, or may terminate all services under this Agreement. There is no NWFCU charge for debit purchases.

1. ATM Transactions

See Section II.1 and Section II.2.

Section IV. NorthwestXpress Bank-by-Phone Access

Bank-by-Phone Access is a direct line to your accounts. You understand that using this service is another way of accessing your accounts at your convenience seven (7) days per week, 24 hours a day. This service may be interrupted for a short time each day for data processing. Transfers from Share and Money Market Accounts will be limited to six (6) in any one month. No transfer or withdrawal may exceed the available funds in your account.

See the *NorthwestXpress* brochure for more detailed information about *NorthwestXpress* and for a list of the transaction codes.

Section V. Direct Deposits

You may arrange for preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

Direct Deposit Guarantee

In order to enroll in the Direct Deposit Guarantee Program, you must submit a copy of your direct deposit form(s) for your NWFCU Checking Account after the form has been processed by your payroll office(s).

You agree that NWFCU shall be reimbursed, by one or more of the owners, for the advancement of funds due to the non-receipt of direct deposit funds by NWFCU. If reimbursement is not received from you before the next pay period, the guarantee of funds by NWFCU is null and void. It is

further understood that only your first direct deposit(s) scheduled to come to NWFCU will be guaranteed. Should your first direct deposit(s) not be received by NWFCU, you will submit a copy of your earnings and leave statement(s) or pay stub(s) as a record for advancement of funds by NWFCU.

Section VI. Automated Clearing House (ACH) and Wire Transactions

You may arrange for recurring automatic payments to be debited from or credited to your account(s) through wire or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. We may provisionally credit your account for an ACH transfer before we receive final settlement. We may reverse the provisional credit or you will refund us the amount if we do not receive final settlement. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union may rely on the account or other identifying number as the proper identification even if it identifies a different party or institution. There are limitations on your transfers. Please see Section I.6.

This agreement is subject to Article 4A of the Uniform Commercial Code (UCC) – Fund Transfers as adopted in Virginia. You agree to be bound by automated clearinghouse association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the UCC. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

The Credit Union has established certain security procedures in connection with wire transfers. NWFCU attests that all security procedures are commercially reasonable, are designed to authenticate wire transfers, are designed for the Credit Union's protection, and are not used to detect errors in the transmission or content of a wire transfer. Written wire transfer requests may be subject to signature and/or password verification. The Credit Union can not guarantee that the receiving institution will actually receive and/or act upon wire transfers in a timely manner; nor can the Credit Union guarantee special instructions will be followed by the receiving financial institution. The Credit Union is authorized to debit your account for the amount of the wire transfer and any fees and expenses incurred in connection with the execution of a request.

The Credit Union will exercise reasonable and ordinary care in performing its obligations in connection with electronic funds transfers and will be responsible for any loss sustained by you only to the extent such loss is caused by the Credit Union's gross negligence or willful misconduct and as otherwise required by applicable state and federal law; however, any liability will extend only to the resulting direct loss, and not to any consequential or special losses or damages.

Section VII. Online Banking Access

Our Internet-based Online Banking service gives you access to your NWFCU Account(s) 24 hours a day, 7 days a week. Consult our website for compatible hardware and system requirements.

1. Limitation of Liability

In no event shall we be liable for any loss, damage, or injury from whatever cause, nor shall we be liable for any direct, indirect, special or consequential damages arising from or connected in any way with the installation, use or maintenance of the related computer equipment, except as expressly provided in this Agreement. We make no warranties, express or implied, regarding the equipment or, Online Banking service, including without limitation, any warranties of merchantability or of fitness for a particular purpose.

2. Service Charges

There is no charge for using Online Banking or Bill Pay. In the future, Northwest Federal Credit Union reserves the right to impose a fee for the use of our Online Banking Services, or respective reference materials. There may be a charge for any additional services or materials you request, or excess usage. All related fees are disclosed in our Schedule of Fees, which is available at our branch offices and www.nwfcu.org. We reserve the right to change these fees at any time with notice as required by federal law.

By using our Online Banking service, you authorize Northwest Federal Credit Union to deduct any appropriate fees from your share savings account. If there are insufficient funds in your Account to pay these fees and/or charges when they are due, you authorize Northwest Federal Credit Union to deduct these same fees and/or charges from any other Account you hold at Northwest Federal Credit Union. See separate Schedule of Fees.

3. New Services

We may, from time to time, incorporate new services into our Online Banking service. The Credit Union will not be responsible for any errors or failures involving any telephone service, Internet service provider, your software installation or your computer.

4. Posting of Transactions

Online Banking

Online Banking transactions — other than Bill Pay — are posted immediately; however, transactions initiated after 8:00 P.M. (Eastern Time) Monday through Friday and all transactions made Saturday, Sunday and holidays will reflect the next business day. This is subject to change at any time.

Bill Pay

Bill payments are processed on the business day (Monday through Friday, except holidays) you designate the bill to be processed, provided the payment request is received prior to 7:00 A.M. (Eastern Time). Bill payment requests received on a non-business day will be processed on the next business day. This is subject to change at any time. See separate Bill Pay Agreement by logging into Online Banking at www.nwfcu.org for processing of recurring payment requests.

5. Termination of Service

You may terminate your use of the Online Banking service at any time by giving us 5-business days written advance notice. You will not be entitled to a refund of any service charge, that you may have paid, in the event of termination. We may terminate your use of Online Banking services, in whole or in part, at any time without prior notice.

6. Other Agreements

In addition to this Agreement, you agree to be bound by our Rules and Regulations, the Online Banking and Bill Pay Agreements, your specific Share Account Agreements and applicable state and federal laws and regulations.

The provisions of this Section VII, are limited to our Online Banking service and are not intended to alter or modify the terms or conditions governing any other Account or Service, including, without limitation, our Debit MasterCard®, our ATM Card services or overdraft protection services.

7. Bill Pay

NWFCU Checking Account users have the added convenience of the Bill Pay Service where you can set payment of current, future, and recurring bills from your Checking Account. You agree that payments will only be made to those payees/merchants for whom you have furnished us names, addresses, and account numbers. If the payee/merchant is not set up for electronic payments, Bill Pay will generate a paper check for payment. The check will be printed with your personal information, including name, address and phone number (if available), and your account number and will clear directly through your Bill Payment Account. A unique check number will appear on your statement for easy recognition. The Bill Pay Service reserves the right to select the method in which to remit funds on your behalf to your payee/merchant.

NWFCU reserves the right to refuse the designation of a payee/merchant for any reason.

When we receive payment instruction(s) through Bill Pay, we will remit funds to the payee/merchant on your behalf from the available funds in your Bill Payment Account to arrive as close to the business day designated by you as reasonably possible. While it is anticipated that most transactions will be completed on the exact day designated, it is understood that due to circumstances beyond our control, some Bill Pay transactions may take a day or even a few days longer. For this reason, it is recommended that all Bill Pay transactions be scheduled to be processed at least 10 business days before the actual due date, not the late date. If you properly follow the procedures described here and in the Bill Pay Agreement and we fail to send payments on the instructed date, we will bear responsibility for all late charges. In any other event, including but not limited to, scheduling a payment less than 10 business days prior to the actual due date, the risk of incurring and the responsibility for paying any and all late charges or penalties shall be borne by you.

You agree to have available and collected funds on deposit in the Payment Account in amounts sufficient to pay for all bill payments requested, as well as any other payment obligations you have to NWFCU. We reserve the right to reject or reverse a bill payment if you fail to comply with this requirement or any other terms here or in the Bill Pay Agreement, and shall not be liable for any losses or damages resulting from the rejection or reversal. If you do not have sufficient funds in the Payment Account and we have not exercised our right to reverse or reject a payment, you agree to pay for such payment obligations on demand (overdraft fees may apply). You further agree we, at our option, may charge any of your accounts with us, other than any Individual Retirement Account, to cover such payment obligations. We reserve the right to set daily, weekly and monthly payment limits and to limit the amount of any payment, which may be made to any payee/merchant on any one business day.

Neither NWFCU nor our suppliers will be liable for any transaction if:

- a. You fail to provide us with complete and correct information regarding payee/merchant name, address or account number;
- b. You fail to schedule the payment at least 10 business days prior to the date your payment is due;
- c. Your account does not contain sufficient funds to complete the payment;
- d. The payee/merchant mishandles or delays the payment;
- e. A legal order prohibits withdrawals from your account;
- f. Your account is closed or has been frozen;
- g. The transaction would cause your balance to go over the credit limit for any credit arrangement set up to cover overdrafts;
- h. You, or anyone you allow, commits fraud or violates any law or regulation in connection with Online Banking or On-line Financial Services;
- i. Any electronic terminal, telecommunication device or part of the electronic fund transfer system is not working properly;
- j. You did not properly follow the instructions for use of Online Banking or On-line Financial Services;
- k. You knew or had been advised by us before you completed the transaction that Online Banking and/or the On-line Financial Services were not operating properly;
- l. There is postal delay;
- m. Circumstances beyond our control (such as, but not limited to, fire, flood or improper transmission or handling by a third party) that prevent, hinder or delay the transaction, despite reasonable precautions we have taken to avoid such circumstances; or
- n. If your own computer, modem, telephone or related equipment was not functioning properly.

See separate Bill Pay Agreement by logging into Online Banking at www.nwfcu.org for complete terms.

8. *Documentation*

All transactions conducted through Online Banking and the Bill Pay Service will be included on your monthly account statement.

Night Depository

Night depository services are available at select branch offices. There is no charge for using the night depository. NWFCU reserves the right to impose a fee for use of this service in the future. Transactions placed in the night depository after 6:30 P.M. Monday through Friday and after 1:00 P.M. Saturday will be posted the next business day.

Credit Line

See separate Credit Card Agreement Disclosure.

Account Statements

You are responsible for promptly examining your statement and reporting any irregularities to us. The periodic statement will be considered correct for all purposes and we will not be liable for any check that is altered or any signature that is forged if you do not notify us of an unauthorized signature or alteration within a reasonable time (not to exceed 60 days) after we send or make available to you your statement. Also, we will not be liable for any subsequent items paid, in good faith, containing an unauthorized signature or alteration by the same wrongdoer unless you notify us within 14 calendar days after the statement is made available. You must also report any other Account problem within 30 calendar days or lose your right to assert the problem against us. You agree that our retention of checks does not alter or waive your responsibility to examine your statements or change the time limits for notifying us of any errors.

Change of Address

You may update the address on your account by completing a Change of Address form, available in our branches and online at www.nwfcu.org, and bringing it to any Credit Union branch or mailing it to us at P.O. Box 1229, Herndon, VA 20172-1229 (Attn: Risk Management) or faxing it to 703-925-5107. We will also accept a written change of address letter mailed to us at P.O. Box 1229, Herndon, VA 20172-1229 (Attn: Risk Management) or faxed to 703-925-5107. The change of address letter must be signed by you and include your name, account number, contact number, and your old and new address. You may also change the address on your account through our Online Banking service by logging in at www.nwfcu.org.

Member in Good Standing

A member in good standing is a member who (1) maintains the minimum required membership share; (2) does not have a delinquent loan, an unresolved deposited returned check, any unpaid and uncollected fees, or a negative balance on an Account; (3) has not caused any financial loss to the Credit Union or had checks returned unpaid to retailers; and (4) does not have an unfavorable record (as indicated by a report from a screening agency) that his/her account has been closed for cause at another financial institution. Members who are not in good standing may be denied services, including promotional awards, and limited to a Share Savings Account and the right to vote.

Cause for Denial of Services

If a member causes Northwest Federal Credit Union a loss by overdrawing or misusing an account all Northwest Federal Credit Union services will be denied until the negative amount is repaid in full. Negative balances could also be created by fees assessed to the account or by returned checks. Members are given 45 days to clear the negative balance prior to denial of services. For Share Savings Accounts, the required \$5.00 minimum balance must also be maintained.

Other causes for denial of services include: forgery, kiting, ATM abuse, checking abuse and charged-off loans. Members who misuse an account will not have services reinstated unless there were extenuating circumstances which were not of the member's making and any lost Northwest Federal Credit Union funds were reimbursed/paid back/reinstated. Any reinstatement of services for "misused" accounts must be approved by the management of Northwest Federal Credit Union.

If services are denied, only a Share Savings Account will be allowed. The right to vote will be retained.

Legal Process

If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from

your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

Enforcement

You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions, if applicable.

Termination of Account

We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any falsification, misrepresentation or any other abuse by you or with respect to any of your accounts; (7) we reasonably deem it necessary to prevent a loss to us; (8) abuse of Credit Union services or privileges; (9) you ever become abusive with, or threaten the safety of, any employee, volunteer or other member, or are otherwise in violation of our Abusive Member Policy (available on request); or (10) you fail to utilize Credit Union products or services to justify your continued participation in Credit Union membership. You may terminate an account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

Whether your account is closed by you or us, that closure does not release you or any owner, signor, or agent from any fees, obligations or other liabilities incurred on the account before, in the process of, or after the account is closed.

Death of Account Owner

The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits, and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may continue to honor all deposits, withdrawals, transfers and transactions on the account until we receive a certified copy of an account owner's death certificate, along with proof of the representative's, claimant's or third person's authority as the representative, claimant or creditor of the estate and identification as the estate representative claimant or creditor. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

Contact Information

If you have questions concerning your account or if you need to correct information we have on file, please contact us at 703-709-8901 or 1-866-709-8901, or write to us at P.O. Box 1229, Herndon, VA 20172-1229.

Please review the Northwest Federal Credit Union Privacy Notice on the next page.

The rest of this page has been intentionally left blank.

FACTS

WHAT DOES DO WITH YOUR

NORTHWEST FEDERAL CREDIT UNION PERSONAL INFORMATION?

Why?

Financial companies choose law gives consumers the right requires us to tell you how we tion. Please read this notice

how they share your personal information. Federal to limit some but not all sharing. Federal law also collect, share, and protect your personal informa-carefully to understand what we do.

What?

The types of personal product or service you have

- Social Security number
- Account balances and
- Credit history and

When you are *no longer* our described in this notice.

information we collect and share depend on the with us. This information can include:

and income
payment history
credit scores

member, we continue to share your information as

How?

All financial companies need their everyday business. In the nies can share their members' Federal Credit Union chooses

to share their members' personal information to run section below, we list the reasons financial compa-personal information; the reasons Northwest to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does NWFCU share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your credit worthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call 703-709-8901

(1-866-709-8901 toll-free) or go to www.nwfcu.org

Who we are

Who is providing this notice?

Northwest Federal Credit Union

What we do

How does NWFCU protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does NWFCU collect my personal information?

We collect your personal information, for example, when you

- open an account or deposit money
- pay your bills or apply for a loan
- use your credit or debit card

We also collect your personal information from others, such as credit bureaus, affiliates or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your credit worthiness
 - affiliates from using your information to market to you
 - sharing for nonaffiliates to market to you
- State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- Northwest Federal Credit Union does not share with its affiliate.

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- Northwest Federal Credit Union does not share with nonaffiliates so they can market to you.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- Northwest Federal Credit Union does not jointly market.



Website: www.nwfcu.org
Mobile: go.nwfcu.org
Email: nwfcu@nwfcu.org



Federally insured by NCUA. NWFCU does business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act. All information is current as of 2/20/2012 and is subject to change with notice as required by law.



CU SERVICE CENTERS.
The Member-Friendly Financial Network

GAM (2/2012) 3M