

# Account Agreements & Disclosures



Your Lifetime Financial Partner

All information contained in this booklet is current as of November 1, 2018 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 may be photocopied for our records.
- b. The membership share required for Northwest Federal Credit Union is \$1.00 which will be maintained in your primary savings account. If the balance falls below \$1.00, and you do not increase that balance to at least \$1.00 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. All deposits are provisional subject to final payment. If funds are erroneously deposited to your account, despite our best efforts to avoid errors, the Credit Union may reverse the deposit even if it brings the account negative and you will owe the Credit Union for the full amount of the deposit.
- 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 or electronic signature under the E-SIGN Act, the Credit Union may honor any draft or document that appears to bear your facsimile or electronic 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 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. Associational Membership. If your NWFCU membership eligibility is based upon membership in an association, you agree to NWFCU sharing your name, address, phone number and email address with the association. As a member of the association, 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.

- o. The Credit Union may require that any check deposited or presented for payment have a named payee and that the check be properly endorsed by the payee. The Credit Union reserves the right to refuse to accept any check for deposit or payment.
- p. Any account is subject to Northwest Federal Credit Union's right to require up to 60 days written advance notice of withdrawal.

## **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. 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.
- 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 the account jointly without right of survivorship, unless the account has individual percentages as designated on the account application or addendum for a total of 100%, in such case, the beneficiaries shall own the account in such percentages 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/Uniform Transfer to Minors Account**

As a member you may open and own an account to hold the funds of a minor 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 UTMA 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. 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**

We reserve the right to require a person furnishing a copy of a power of attorney 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**

All funds in a deposit account become the property of your state of residence after the account has been inactive for a period of time as defined by the state. Notice is sent to the member or depositor at the member's or depositor's last known address. You understand that reclaiming the funds from your state of residence is solely your responsibility. 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.

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

## **Primary Savings (Share) Account**

### **Minimum Balance**

The minimum balance required for Northwest Federal Credit Union membership is \$1.00.

### **Dividends**

The dividend rate for 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 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 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 up to 60 days written advance notice of any withdrawal.

### **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.

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.

## **Secondary Savings Account**

### **Minimum Balance**

There is no minimum balance requirement for Secondary Savings Accounts.

### **Dividends**

The dividend rate for 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 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 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.

### **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.

## **Checking Account**

### **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 Primary 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 the primary 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), Secondary Savings Account, 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 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 primary savings account, secondary savings account, MMA or, if applicable, credit line, or Member Protection Plan. Such advances from the account shall not exceed the balance in your primary or secondary savings accounts 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 deposit 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. 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 without written notice, unless required by law. If notice is required, it 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, or electronically.
- 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.

Your account has two kinds of balances: "actual balance" and "available balance". Your actual balance reflects the full amount of deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted (items that are pending); and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn.

### **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 Primary Savings Account, Secondary 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.

### **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 deposit 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 deposit 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. 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 30 days after the statement is provided.
- j. 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 without written notice, unless required by law. If notice is required, it 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, or electronically.
- k. 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.
- l. This Account is eligible to be used as a source of overdraft protection.
- m. 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.
- n. 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.

- o. Information from your check can be used to initiate a one-time electronic fund transfer from your account.

## **Savings Club Account**

### **Minimum Balance**

There is no minimum balance requirement for Savings Club Accounts.

### **Dividends**

The dividend rate for Savings 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 Savings 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 can be made by request and are subject to fees as described in the Schedule of Fees.

Savings Club Accounts cannot be accessed through ATMs.

The Savings Club Account cannot be used as security for a loan.

### **Disbursement of Funds**

Funds will automatically be transferred on the date you select at account opening to your Checking or Savings Account as designated. The funds will be transferred annually on the same anniversary date selected following the initial disbursement.

### **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. 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 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 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.

### **Posting Order of Debits to Account**

Northwest Federal posts check clearings in order of lowest dollar amount to highest dollar amount on each business day. ACH transactions are debited in the order they are provided in the transmission file.

### **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 your 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 Telephone Banking services.

#### Section I. Applicable to All Remote Access Services

##### 1. Remote Access Services Agreement

- The EFT access device (ATM Card, Debit MasterCard®, Telephone Banking 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 Telephone Banking. When you enroll in the Online Banking program you will establish a password. You should not reveal your password or make it available to anyone.
- 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 savings, 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 10:00 P.M. (Eastern Time) are posted on the next business day.

##### 2. Lost or Stolen ATM or Debit MasterCard®

Notify us at once to report a lost or stolen NWFCU ATM or Debit MasterCard®. Call 703-709-8900 or 844-709-8900 during normal business hours. To report the loss or theft of your Card after business hours, call Telephone Banking at 703-709-8900 or 844-709-8900 Option 1.

##### 3. 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 703-709-8900 or 844-709-8900, 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 Telephone Banking 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. Depending upon the circumstances, you may qualify for zero liability under the Mastercard zero liability program.

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.

#### 4. *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 703-709-8900 or 844-709-8900, 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.

#### 5. *Limitations on Transfers*

Federal Reserve Board Regulation D places a total limit of six (6) preauthorized or electronic transactions a month between your savings 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 savings to checking; Telephone Banking transfers, money market account (MMA) checks, teller checks to third parties requested by phone or mail, preauthorized transfers, Automated Clearing House (ACH) payments and Online Banking, Mobile Banking, or other electronic device transfers. Transfers to loan accounts are not included.**

## 6. *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.
- The transaction was not processed due to suspected fraud.
- 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 (Telephone Banking and Online Banking, Mobile Banking and other electronic devices 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.
- Telephone Banking and Online Banking, Mobile Banking and other electronic devices: 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.

## 7. *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.

## 8. *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 standard individual 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 standard individual 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.

### **Telephone Banking**

Transfers will be posted online at time of request. However, transactions initiated after 10:00 P.M. ET will reflect the next business day. This is subject to change.

### **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.5).

#### 9. *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 or at 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 transaction and surcharge fees at CO-OP Network®, Credit Union 24®/CU HERE and Alliance One® ATMs. These surcharge-free ATMs are located across the U.S.

#### 10. *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 savings, checking, MMA and line of credit accounts where transactions conducted with your ATM Card, Debit MasterCard® and/or through Telephone Banking, Online Banking or other electronic devices 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 703-709-8900 or 844-709-8900 to confirm the transfer.

#### 11. *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 Northwest Federal Credit Union at least three (3) business days or more before the payment is scheduled to be made by calling 703-709-8900 or 844-709-8900 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.

#### 12. *Business Days*



Our business days are Monday through Friday, 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 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 savings, checking and money market accounts.
- Conduct balance inquiries on your savings, checking and money market accounts.
- Make loan payments, including second mortgage payments.
- Transfer funds on the same account number between savings, checking, MMAs, 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<sup>®</sup>, Cirrus<sup>®</sup>, Alliance One<sup>®</sup>, Credit Union 24<sup>®</sup>/CU HERE and CO-OP Network<sup>®</sup>. At the present time, you may use your Card to conduct:

- Balance inquiries on your savings and checking accounts.
- Withdrawals from your savings 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 savings and checking.

NOTE: STAR<sup>®</sup> and Cirrus<sup>®</sup> ATMS CANNOT ACCEPT DEPOSITS OR LOAN PAYMENTS. Some CO-OP Network<sup>®</sup> ATMs may accept deposits. Visit our website for more information.

### *3. Point of Sale (POS) Access*

Your Card allows you to pay for purchases at participating retailers displaying the STAR<sup>®</sup> 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<sup>®</sup>**

Your Debit MasterCard<sup>®</sup> 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. Telephone Banking Access**

Telephone Banking 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 Savings 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.

## **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. Funds Transfer Agreement**

This Funds Transfer Agreement ("Agreement") applies to all domestic or international Wire Transfers and Automated Clearing House ("ACH") transactions received in or originated from your accounts at Northwest Federal Credit Union ("Credit Union"). These funds transfer services exclude those covered by VISA® and or MasterCard® debit and credit card rules. This Agreement supersedes any inconsistent terms contained in NWFCU's Account Agreements & Disclosures and any previous Funds Transfer Authorization Agreement & Notice and is hereby adapted as part of the Account Agreements and Disclosures for Northwest Federal Credit Union. The term "payment order" used in this Agreement has the meaning provided in the Code of Virginia § 8.4A-103 (a)(1) and means an instruction by you to us directing us to send by wire or ACH funds to a designated account or beneficiary.

#### **Acceptance of Payment Orders**

In general, we will accept payment orders only through Online Banking or in a Northwest Federal branch office if you have submitted a wire request form provided by NWFCU. We will accept domestic and foreign payment orders from you in person or through Online Banking provided our security procedures are followed and you have a sufficient available balance on deposit in the appropriate account to execute the payment order. We reserve the right to require that any payment order be in writing or submitted through Online Banking.

NWFCU will not complete any requested wire transfer or ACH transaction where it determines the transfer would violate the terms of this Agreement, applicable law or we are not afforded sufficient time to complete our security procedures.

#### **Governing Regulations**

For wire transfers conducted using Fedwire or similar means, this Agreement is governed by the provisions of Federal law including Regulation J, 12 CFR Part 210, Subpart B and its appendices. Terms which are not defined in this Agreement shall have the same meanings as defined in Uniform Commercial Code Article 4A as adopted in the Commonwealth of Virginia. This Agreement is also subject to all applicable operating circulars of the Federal Reserve Bank in Richmond and any other applicable provision of federal or state law. To the extent that Regulation J does not apply, this Agreement is governed by the laws of the Commonwealth of Virginia.

ACH transfers are governed by the rules of the National Automated Clearinghouse Association ("NACHA") and the rules of local ACHs participating in the transaction. To the extent that ACH rules do not apply to any aspect of an ACH transaction, this Agreement is governed by the laws of the Commonwealth of Virginia.

Funds transfers originating or ending outside the United States are subject to Regulation E, Electronic Fund Transfers, and may be subject to the rules of the Society for Worldwide Interbank Financial Transactions ("SWIFT"). SWIFT transfers may be subject to currency rules and fees and charges related to the rate of exchange. You agree to the application of those fees, charges and currency rules to your international funds transfer transactions. SEE YOUR SCHEDULE OF FEES FOR CURRENT FEES and CHARGES related to those transactions.

The Credit Union will comply with regulations issued by the US Treasury's Office of Foreign Assets Control (OFAC). If any transfer request is to an entity listed on OFAC's list of Specially Designated Nationals and Blocked Persons, by law the Credit Union is not permitted to complete the transfer and shall

“block” the funds until such time OFAC issues a written release to the Credit Union. The Credit Union shall have no liability to you as a result of the Credit Union’s compliance with these rules.

You agree to be bound by Regulation J, Regulation E, NACHA, Virginia Code Title 8.4A - Commercial Code - Funds Transfers, SWIFT rules and operating circulars and interpretations as applicable to your transaction. You agree you will not submit any funds transfer request by or to a person or entity prohibited by OFAC.

### **Security Procedures**

You agree that we may verify the authenticity of the payment orders requested by you or any communications amending or cancelling any such payment orders using the following security procedure:

1. Payment orders submitted in person to one of our employees may be verified using a member-created password or PIN in addition to out of wallet questions. We will also require positive identification via valid photo identification and signature verification.
2. Payment orders submitted in Online Banking will be verified through multi-factor authentication requiring log on credentials and a password. Out of wallet questions and or challenge questions may also be used for verification.

Security procedures may also include callback verification by an NWFCU employee.

You hereby acknowledge the security procedures described are commercially reasonable and that you have selected the security procedure offered by the Credit Union after due consideration of all such alternatives and your business circumstances including the size, type, and frequency of payment orders that you anticipate issuing to the Credit Union.

You agree that the authenticity of payment orders may be verified using the described security procedure unless you notify NWFCU in writing that you do not agree to that security procedure. In that event, NWFCU shall have no obligation to accept any payment order from you or other authorized parties on the account until you and NWFCU agree, in writing, on an alternate security procedure.

You agree the security procedures are commercially reasonable and that you will be liable for any payment order or communication amending or cancelling a payment order, whether or not authorized, that is issued in your name and accepted by the Credit Union in compliance with the agreed-upon security procedure.

You hereby agree to follow the security procedures when making a payment order.

### **Your Liability**

You shall be liable to the Credit Union for and shall indemnify and hold the Credit Union harmless from any and all claims, causes of action, damages, expenses (including reasonable attorney’s fees and other legal expenses), liabilities and other losses resulting from acts, omissions, or provision of invalid or inaccurate data by you or any other person acting on your behalf, including without limitation; a) a breach by you of any provision of this Agreement; b) the Credit Union’s debiting or crediting of the account of any person as requested by you; and c) the failure to act or the delay by any financial institution other than the Credit Union.

### **Credit Union Liability**

The Credit Union shall not be liable for acts or omissions by you or any other person including, without limitation, any funds transfer system, any Federal Reserve Bank, any beneficiary’s bank, and any beneficiary, none of which shall be deemed the Credit Union’s agent. Without limitation, the Credit Union shall be excused from delaying or failing to act if caused by legal constraint, interruption of transmission or communications facilities, equipment failure, war, emergency conditions, strikes, or other circumstances beyond the Credit Union’s control. In addition, the Credit Union shall be excused from delaying or failing to execute a transfer if it would result in the Credit Union’s exceeding any limitation established through Federal Reserve guidelines or if it would result in violating any present or future risk control program of the Federal Reserve or a rule or regulation of other governmental regulatory authorities. In no event shall the Credit Union be liable for any

consequential, special, punitive, or indirect losses or damages incurred relating to this agreement including, without limitation, subsequent wrongful dishonor resulting from the Credit Union's acts or omissions. Any liability of the Credit Union for loss of interest resulting from its error or delay shall be calculated using a rate equal to the Federal Funds Rate at the Federal Reserve Bank of Richmond for the period involved. Payment will be made by crediting the appropriate account involved in the funds transfer.

### **Notice of Rejection**

In the event NWFCU rejects an outgoing funds transfer request, we shall notify you, or an authorized individual, by telephone, electronic message, or U.S. mail sent to the address and/or phone or electronic address of record by the end of the next business day that such funds transfer would have otherwise been executed by NWFCU.

If the Credit Union receives notice that a wire transfer or ACH transmitted by the Credit Union has been rejected, the Credit Union shall notify you of such rejection including the reason given for rejection by telephone, electronic message, or U.S. mail sent to the address and/or phone or electronic address of record. The Credit Union will have no further obligation to transmit the rejected wire or ACH transfer if it complied with this Agreement with respect to the original transfer request.

### **Notification**

You agree that we will not provide you with separate notification each time we receive a wire transfer into your account or send a domestic wire transfer from your account. We will provide you with notification of incoming and outgoing wire transfers as part of your periodic statement. In the event we accept payments to your account through one or more Automated Clearing Houses, the operating rules of the NACHA will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next-day notice of receipt of an ACH item. As such, we will also provide you with notification of the receipt of these items as part of your periodic statement.

You hereby agree to notify us in writing of any unauthorized or erroneous payment order within 30 days from the date you first received notification from the Credit Union either that the order was accepted or your account was debited with respect to the order. Should you fail to promptly notify us of any unauthorized or erroneous payment order as discussed above, we will not be liable to you for any subsequent similar occurrence that we could have prevented had we received such notice.

### **Funds Transfer Business Day**

Funds transfers occur on business days (Monday through Friday) only. NWFCU's funds-transfer business days consists of the hours from 7:30 A.M. ET to 4:00 P.M. ET on weekdays we are open for business. Any wire transfers or receipts after 4:00 P.M. ET will be processed the following nonholiday weekday. Payment orders received by the cut-off time are processed upon completion of our Security Procedures generally within the same business day. Once a payment order is sent by us, the Credit Union is under no obligation to stop, cancel or seek a return of the funds transferred.

### **Cancellation/Modification of Payment Orders**

If you wish to cancel or modify funds transfer instructions, you must tell us at once by contacting the Credit Union's ACH/Wire Department at 703-709-8900 x4851 or 800-336-3384 x4851. We may require you to put your request in writing. The Credit Union is under no obligation to accept your request to cancel, reverse or modify your funds transfer request after the funds transfer request is received by us except in the case of international wire transfers for which you have thirty (30) minutes after payment for the wire transfer to cancel the wire before it is remitted. If You otherwise instruct us after we have received your Payment Order to cancel, reverse or modify the funds transfer request you provided, we will attempt to do so but have no liability to you if the transfer cannot be canceled, reversed or modified.

### **Account Limitations**

It is the policy of NWFCU to accept funds transfers from your savings, checking and or money market accounts; however, with respect to savings and money market accounts, we will allow you to make no more than six

withdrawals or transfers to another NWFCU account that you own or to third parties by means of a preauthorized or automatic transfer or telephonic order or instruction or similar order per month. Your account will be subject to closure if you exceed these limits.

### **Charges and Fees**

We will charge your account for the amount of any payment order initiated by you. See the Schedule of Fees for current fees and charges related to funds transfers covered by this Agreement. If you do not designate an account to be charged or the designated account does not have sufficient funds to cover the amount of the payment order request, we may charge any account in which you have an interest for the amount of the payment order.

We will charge you a fee for each payment order you give to us as set forth in our Schedule of Fees. You authorize us to charge wire transfer fees to any account in which you have an interest. If wiring instructions you provide are incorrect and the wire transfer is returned to us for any reason, you can provide us with the correct information that will permit us to execute the payment order again but in such a case you will be charged an additional fee. You agree to pay us for any additional expenses we incur to execute, cancel, or amend any payment order or perform any related act that you may request, and we may charge any such expenses to any of your accounts without notice.

NWFCU makes no warranties with respect to fees charged by other financial institutions with respect to your payment orders.

### **Provisional Credit**

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (the originator) shall not be deemed to have paid you the amount of the credit entry.

### **Your Liability for Incorrect Information**

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account number or some other identifying number (such as a Social Security, taxpayer I.D. or driver's license), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and routing and transit ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution. This means that you will be responsible for any loss or expense incurred by a receiving financial institution which executes or attempts to execute the payment order in reliance on the identifying number you provided. If you provide an incorrect account number or recipient institution identifier, you can lose the transfer amount.

### **Error Resolution and Cancellation for International Remittance Transfers** **What to do if you think there has been an error or problem:**

If you think there has been an error or problem with your remittance transfer:

- Call the Credit Union's ACH/Wire Department at 703-709-8900 x4851 or 800-336-3384 x4851; or
- Write us at NWFCU Attn: ACH/Wire Dept PO Box 1229 Herndon, VA 20172-1229; or
- Email us at wires@nwfcu.org.

You must contact us within 180 days of the date we promised to you that funds would be made available to the recipient. When you do, please tell us:

- (1) Your name and address
- (2) The error or problem with the transfer, and why you believe it is an error or problem;
- (3) The name of the person receiving the funds, and if you know it, his or

- her telephone number or address;
- (4) The dollar amount of the transfer; and
  - (5) The confirmation code or number of the transaction.

We will determine whether an error occurred within 90 days after you contact us and we will correct any error promptly. We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of any documents we used in our investigation.

### **What to do if you want to cancel a remittance transfer:**

You have the right to cancel a remittance transfer and obtain a refund of all funds paid to us, including any fees. In order to cancel, you must contact us at the phone number above within 30 minutes of payment for the transfer.

When you contact us, you must provide us with information to help us identify the transfer you wish to cancel, including the amount and location where the funds were sent. We will refund your money within three business days of your request to cancel a transfer as long as the funds have not already been picked up or deposited into a recipient's account.

### **Amendment and Termination**

NWFCU has the right to modify this Funds Transfer Agreement at any time by 5 days written advance notice to you at the last address shown for your Primary Savings Account on NWFCU's records, by posting notice in branches of NWFCU, or as otherwise permitted by law. By thereafter using or continuing to use NWFCU's wire transfers services, you agree to such amendments.

NWFCU has the right to terminate this Agreement and your use of the wire transfers services, in whole or in part, at any time by giving written or oral notice to you. Unless terminated by NWFCU, this Agreement shall remain in effect until NWFCU receives written notice of termination from you. NWFCU is not responsible for any transfers made before we have a reasonable opportunity to act on your termination notice, and you remain obligated for any transfers made by NWFCU on your behalf. You may not assign this Agreement to any other party.

### **Internet Gambling**

You agree that you neither are engaged nor will engage in unlawful internet gambling activity. You agree that you will not use any of your accounts for unlawful internet gambling.

### **Governing Law and Arbitration**

Any controversy or claim arising out of or relating to your account(s) and/or loan account(s), except as prohibited by law, shall be settled by binding arbitration. You further agree that any such arbitration shall take place in Fairfax County, Virginia. Judgment upon any award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The arbitrator shall determine the prevailing party, and the costs and expenses of the arbitration proceeding, including the arbitrator's fees, shall be borne by the non-prevailing party, unless otherwise required by law. No provision of this agreement, nor the exercise of any right under this agreement, shall waive the arbitration requirement or limit the right of the Credit Union to: (1) obtain provisional or ancillary remedies, such as injunctive relief, writ of attachment, or protective order from a court having jurisdiction before, during, or after the pendency of any arbitration; (2) exercise self-help remedies, such as set-off; (3) evict, foreclose against or sell any real or personal property collateral by the exercise of a power of sale under a mortgage or other security agreement or instrument, a deed of trust, or applicable law; (4) exercise any other rights under this agreement upon the breach of any term or condition herein; or, (5) to proceed with collection of the account through all other legal methods, including, but not limited to, proceeding in court to obtain judgment. Any and all arbitration under this agreement will take place on an individual basis; class arbitrations and class actions are not permitted. You further agree that you are waiving the right to trial by jury and to participate in a class action.

### **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 8:00 A.M. Monday – Saturday will be posted the next

business day. You expressly agree to accept as final and conclusive the record of the Credit Union as to what property was in the pouch when opened and the count of the Credit Union shall be final and binding.

## **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 (such reasonable time shall not exceed 33 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 our web site, and bringing it to any Credit Union branch or mailing it to us at P.O. Box 1229, Herndon, VA 20172-1229 (Attn: Deposit Administration) or faxing it to 703-925-5114. We will also accept a written change of address letter mailed to us at P.O. Box 1229, Herndon, VA 20172-1229 (Attn: Deposit Administration) or faxed to 703-925-5114. The change of address letter must be signed by you and include your name, account number, contact number, your old and new address and verification of your new address. You may also change the address on your account through our Online Banking service.

## **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 Primary 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 Primary Savings Accounts, the required \$1.00 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 Primary 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.

## **Pledge/Lien**

You may not withdraw shares or deposits that are collateral for loans without written approval, except to the extent that such shares exceed what you owe to us or which you are contingently liable to us. Our failure to assert any security interest, lien and/or right to setoff shall not be a waiver to assert any such right in the future. All accounts are not assignable and nontransferable to third parties, unless otherwise agreed to by us in writing.

Unless prohibited by law, you agree to and grant as security for all obligations you have with us, except obligations secured by your principal residence, all of the funds in any account, except IRA accounts, now or in the future, in which you have an ownership interest or the right to withdraw funds without regard to any statutory presumption regarding ownership and regardless of who contributed the funds to the Account. Unless prohibited by law, to the extent you owe us money as a borrower, guarantor, and endorser or otherwise, including amounts owed because of incurred fees, we have a statutory lien, and by this document a consensual lien, on any or all of the funds in any account, now or in the future, in which you have an ownership interest or the right to withdraw funds without regard to any statutory presumption regarding ownership, without the requirement that the debt be owed by you, and regardless of who contributed the funds to the account. We may enforce this lien, by freezing account funds or otherwise, without any further notice and prior or subsequent to a default, even if an overdraft, dishonor, or interest penalty results.

## **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 703-709-8900 or 844-709-8900, or write to us at P.O. Box 1229, Herndon, VA 20172-1229.

To access forms and disclosures online, visit us at [www.nwfcu.org](http://www.nwfcu.org).

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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 11/1/2018 and is subject to change with notice as required by law.