

Dear Member/Owner:

Welcome to Y-12 Federal Credit Union's single source for all your Member/Owner Benefit needs. It's everything you need for application, authorization, and information for all your financial needs.

By signing the Member Services Request form you may add or modify savings and other services by phone, fax, mail, at any office, or online banking at www.y12fcu.org and save valuable time.

Please take a moment to read the following pages. You'll find helpful information about Y-12 Federal Credit Union's agreement and disclosure information about member/owner benefits and your financial security.

If we can answer any questions or help you with your financial benefit options, please call us at 865-482-1043 or 1-800-482-1043, visit a branch, or write to us via fax, mail or e-mail.

Sincerely,

Y-12 Federal Credit Union

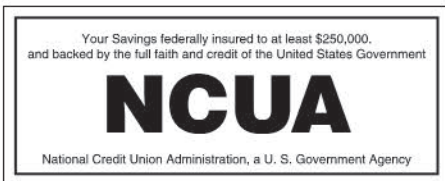
IMPORTANT NOTICE

The documents contained in this booklet are your permanent copies of Y-12 Federal Credit Union's Membership and Account Agreement and includes all Truth in Savings Disclosures.

The table of contents below is provided for easy reference.

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This Credit Union is Federally Insured by the National Credit Union Administration.

Membership and Account Agreement

This Agreement covers the rights and responsibilities concerning your accounts and the rights and responsibilities of Y-12 Federal Credit Union (Credit Union). In this Agreement, the words **you** and **yours** mean anyone who signs an Account Card or Account Change Card (Account Card or any other account opening document). The words **we**, **us**, and **our** mean the Credit Union. The word **account** means any one (1) or more share or other accounts you have with the Credit Union.

Your account type(s) and ownership features are designated on your Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement and Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Funds Transfer Agreement and Disclosure, Privacy Notice Disclosure, any Account Deposit Receipt accompanying this Agreement, the Credit Union's bylaws and policies, and any amendments to these documents from time to time which collectively govern your membership and accounts.

Arbitration and Class Action Waiver. Please note that this Agreement contains a binding Arbitration and Class Action Waiver provision which affects your rights with respect to any claims or disputes by or against Y-12 Federal Credit Union. Please closely review the Arbitration and Class Action Waiver provision within this Agreement (Section 38). You may opt out by following the specified process within the specified timeframe.

1. MEMBERSHIP ELIGIBILITY — To join the Credit Union you must meet the membership requirements including purchase and maintenance of the minimum required share(s) ("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 accounts and services you request. You specifically authorize and acknowledge that we may use any credit reports or credit scores we obtain to determine your eligibility for accounts, products, or services we may offer you or for which you may qualify.

2. INDIVIDUAL ACCOUNTS — An individual account is an account owned by one (1) member (individual, corporation, partnership, trust, or other organization) qualified for Credit Union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owners estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death and to any security interest or pledge granted by the account owner and subject to our statutory lien rights.

3. JOINT ACCOUNTS — A joint account is an account owned by two (2) or more persons.

a. Rights of Survivorship. Unless otherwise stated on the Account Card, a joint account includes rights of survivorship. This means when one (1) owner dies, all sums in the account will pass to the surviving owner(s). For a joint account without rights of survivorship, the deceased owner's interest passes to his or her estate. A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

b. Control of Joint Accounts. 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, stop payment on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. 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.

c. Joint Account Owner Liability. If an item deposited in a joint account is returned unpaid, a joint account is overdrawn, or if we do not receive final payment on a transaction, the owners, 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 account owner is indebted to us, we may enforce our rights against any account of the indebted owner, including all funds in the joint account regardless of who contributed the funds in the account.

4. POD/TRUST ACCOUNT DESIGNATIONS — A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that an individual or joint account so designated is payable to the owner(s) during his, her, or their lifetimes and, when the last account owner dies, payable to all and surviving POD or trust beneficiaries/payees. If there is more than one (1) surviving beneficiary/payee, the account is owned jointly by such beneficiaries/payees without rights of survivorship upon the death of the last account owner. Any POD or trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or held in the name of a trust.

5. ACCOUNTS FOR MINORS — We may require any account established 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. We may pay funds directly to the minor without regard to his or her minority. 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. We will not change the account status when the minor reaches the age of majority unless authorized in writing.

6. UNIFORM TRANSFERS/GIFTS TO MINORS ACCOUNT — A Uniform Transfers/Gifts to Minors Account (UTMA/UGMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

7. AGENCY DESIGNATION ON AN ACCOUNT — An agency designation on an account is an instruction to us that the owner authorizes another person

to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Credit Union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

8. DEPOSIT OF FUNDS REQUIREMENTS — Funds may be deposited to any account, in any manner approved by the Credit Union in accordance with the requirements as set forth in the Truth-in-Savings Disclosure. Deposits made by mail, at night depositories or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

a. Endorsements. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one (1) or more account owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check, draft, or item that is payable to two (2) or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the share draft or check within 1-1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

b. Collection of Items. We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. 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. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

c. Restrictive Legends. Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include “two signatures required”, “void after 60 days”, or “not valid over \$500.” We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.

d. Final Payment. All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.

e. Direct Deposits. We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by filling out a separate form. You must notify us at least 30 days in advance to cancel or change a direct deposit or transfer option. If your account is overdrawn, you authorize us to deduct the

amount your account is overdrawn from any deposit, including deposits of government payments or benefits. Upon a bankruptcy filing, unless you cancel the authorization, we will continue applying payments from 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.

f. Crediting of Deposits. Deposits made after the deposit cut-off time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

9. ACCOUNT ACCESS—

a. Authorized Signature. Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

b. Access Options. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, Internet access, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

c. Credit Union Examination. We may disregard information on any check or draft other than the signature of the drawer, the amount and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

10. ACH & WIRE TRANSFERS — Except as amended by this Agreement, electronic funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located. We may execute certain requests for electronic funds transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board's Regulation J. You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance in your account. You agree we may charge a fee for requested transfers that exceed your available balance that are rejected. You further agree we may charge a fee each time a requested transfer is presented or submitted even if the same requested transfer is presented or submitted multiple times. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic, or equipment failure. We will not provide you with next day notice of ACH, wire transfers, and other electronic payments credited to your

account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution, and processing of funds transfers, payment orders, cancellations, and amendments and, if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law, and this action may affect settlement or availability of the transaction. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order even if that person did not initiate the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable.

11. ACCOUNT RATES AND FEES — We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. We may change the Truth-in-Savings Disclosure or Schedule of Fees and Charges at any time and will notify you as required by law.

12. TRANSACTION LIMITATIONS —

a. Withdrawal Restrictions. We will pay checks or drafts, permit withdrawals and make transfers if the available balance in your account is sufficient to cover such transactions. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals and make transfers that exceed the available balance in your account if you have established an overdraft protection plan or, if you do not have such a plan with us, according to our overdraft payment policy. You agree the Credit Union may charge a fee for returning or rejecting transactions presented or submitted that would exceed the available balance in your account. You further agree the Credit Union may charge a fee each time a transaction is presented or submitted for payment even if the same transaction is presented or submitted for payment multiple times. For example, if you wrote a check to a merchant (or other individual or entity) who submitted the check to us for payment and we returned the check (resulting in a fee being charged), the merchant may re-present the check for payment again (or may convert the check into an ACH debit and submit the transaction for payment). If the second and any subsequent presentments or submissions are returned unpaid,

we may charge a fee for each time we return the transaction. You understand this means you could be charged multiple fees for one check that you wrote as that check could be presented (including as an ACH debit) and returned more than once. Similarly, if you authorize a merchant (or other individual or entity) to electronically debit your account, such as an ACH debit, you understand there could be multiple submissions of the electronic request which could result in multiple fees. You agree that the Credit Union does not determine whether and when a transaction will be presented for payment. Rather, the Credit Union determines whether or not the available balance is sufficient to pay a presented or submitted transaction.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly: for example, (1) a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; or (5) you fail to repay a Credit Union loan on time. We may require you to give written notice of seven (7) days to 60 days before any intended withdrawals.

b. Transfer Limitations. We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Funds Transfer Agreement and Disclosure.

13. CERTIFICATE ACCOUNTS — Any time deposit, term share, share certificate, or certificate of deposit account allowed by state law (certificate account), whichever we offer, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure and Account Deposit Receipt for each account, the terms of which are incorporated herein by reference.

14. OVERDRAFTS —

a. Payment of Overdrafts. If, on any day, the available balance in your account is insufficient to pay the **full** amount of a check, draft, transaction, or other item posted to your account plus any applicable fee (“overdraft”), we may pay (resulting in an overdraft fee) or return (resulting in an NSF fee) the overdraft. The Credit Union’s determination of an insufficient available account balance may be made at any time between presentation and the Credit Union’s midnight deadline with only one (1) review of the account required. We are not required to notify you if your account does not have sufficient available funds to pay an overdraft. Your account may be subject to a charge for each overdraft regardless of whether we pay or return the check, draft, transaction, or other item presented or submitted. For ATM and one-time debit card transactions, you must consent to the Credit Union’s overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Service and fees for overdrafts are shown in the document the Credit Union uses to capture the member’s opt-in choice for overdraft protection and the Schedule of Fees and Charges.

Your checking account has two kinds of balances: the actual balance and the available balance. The actual balance is the amount of money that is actually in your account at any given time. It reflects transactions that have posted to your account, but it does not include transactions that have been authorized and are pending. Your available balance is the amount of money in your account that is available to you to use without overdrawing your account. The available balance takes into account holds placed on deposits and pending transactions (such as pending debit card purchases) that have authorized but

that have not yet posted to your account. **We use your available balance to determine whether sufficient funds are available when transactions attempt to clear the account.** Importantly, you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because while your available balance reflects holds or deposits and pending transactions it may not reflect outstanding checks and automatic bill payments (or other outstanding transactions) that you have authorized but that have not yet posted to your account. Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay an overdraft, we do not agree to pay overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdrawn amount in accordance with your overdraft protection plan or, if you do not have such a plan with us, in accordance with our overdraft payment policy.

b. Order of Payments. Checks, drafts, items, and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft, or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts, and items and execute other transactions on your account may affect the total amount of overdraft and NSF fees that may be charged to your account. There are many ways transactions are presented for payment by merchants and we are not necessarily in control of when transactions are received. We may receive multiple deposit or withdrawal transactions on your account in many different forms throughout each business day. This means you may be charged more than one fee if multiple transactions overdraw (or attempt to overdraw) your account. You agree we may charge an NSF fee each time a transaction is presented or submitted for payment even if the same transaction is presented or submitted for payment multiple times. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

15. POSTDATED AND STALEDATED DRAFTS — You agree not to issue any check or draft that is postdated. If you do issue a check or draft that is payable on a future date and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six (6) months past its date. However, we have no obligation or liability to you or any other party to the instrument or in the chain of the collection process if we do so.

16. STOP PAYMENT ORDERS —

a. Stop Payment Order Request. Any owner may request a stop payment order on any check or draft drawn on the owner's account. To be binding the order must be in writing, dated, signed, and must accurately describe the check or draft including the exact account number, check, or draft number and the exact amount of the check or draft. This exact information is necessary for the Credit Union's computer to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity for us to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with

the payee, to assign to us all of your rights against the payee, or other holders of the check or draft and to assist us in any legal action.

b. Duration of Order. Oral stop payment orders for checks or drafts will lapse within 14 calendar days unless confirmed in writing within that time. Written stop payment orders for checks or drafts are effective for six (6) months and may be renewed for additional six (6) month periods by requesting in writing that the stop payment order be renewed within a period during which the stop payment order is effective. We are not required to notify you when a stop payment order expires.

c. Liability. Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

17. CREDIT UNION LIABILITY — If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) the available balance in your account is insufficient to complete the transaction, your account is frozen, or your account is closed; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused due to your or another financial institution's negligence (including providing incorrect or incomplete information or instructions to us); or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or non-actions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general financial institution practices of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

18. CHECK PRESENTED FOR PAYMENT IN PERSON — We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment. You agree that we may charge a fee to any person or entity presenting a check drawn on your account for cashing.

19. REMOTELY CREATED CHECKS — For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks (share drafts) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through on-line communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We

are not required to credit your account and may charge against your account any remotely created check for which the third party had proof or your authorization.

20. PLEDGE/STATUTORY LIEN — Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law, depending upon whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

Your pledge and our statutory lien rights will allow us to apply the funds in your account to what you owe when you are in default, except as limited by state or federal law. If we do not apply the funds in your accounts {to satisfy your obligation, we may place an administrative freeze on your accounts} in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

21. LEGAL PROCESS — If any legal action is brought against your account, we may pay our funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

22. ACCOUNT INFORMATION — Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; (4) such disclosure is consistent with our Privacy Notice; or (5) you give us written permission.

23. NOTICES —

a. Name or Address Changes. You are responsible for notifying us of any address, email address, telephone number or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.

b. Notice of Amendments. Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any change in terms,

rates, or fees as required by law. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

c. Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address. Written notice the Credit Union gives to you is also effective when sent to an electronic address (such as an email address) you have provided to us. Notice to any account owner is considered notice to all account owners.

d. Electronic Notices. If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

24. TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLDING —

Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your account.

25. STATEMENTS —

a. Contents. If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one (1) statement is necessary for joint accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or be payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are sent to you. You also understand and agree that checks, drafts or copies thereof are made available to you on the date the statement is sent to you, even if the checks or drafts do not accompany the statement.

b. Examination. You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within 60 days of the date we sent the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine. For electronic funds transfers, please review the Billing Errors section of your Electronic Funds Transfer Disclosure.

c. Notice to Credit Union. You agree that the Credit Union's retention of checks or drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charged to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

26. INACTIVE ACCOUNTS — If your account falls below any applicable minimum balance and you have not made any transactions over a period

specified in the Truth-in-Savings Disclosure or Schedule of Fees and Charges, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee, as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges, for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

27. SPECIAL ACCOUNT INSTRUCTIONS — You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Change Card and accepted by us.

28. 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 or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, draft, withdrawal, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

29. TERMINATION OF MEMBERSHIP — You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all your accounts. You may be denied services for causing a loss to the Credit Union or other inappropriate actions — such as abuse or potential abuse of your account or services or harassment of employees. You may be expelled for any reason as allowed by applicable laws.

30. DEATH OF ACCOUNT OWNER — We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we know of a member's death. Once we know of a member's death, we may pay checks or drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days after that date unless we

receive instructions from any person claiming an interest in the account to stop payment on the checks, drafts or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

31. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES —

You agree that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful Internet gambling or other illegal activities. You represent that you are not engaged in a marijuana business or money service business. You agree that you will not use any of your accounts, access devices, or services for a marijuana business or money service business. The Credit Union may decline to accept, process, or pay any transaction that we believe to be illegal or unenforceable (regarding your obligation to pay us or otherwise) under applicable law, or which is otherwise limited or prohibited. We may terminate your account relationship if you engage in unlawful Internet gambling or other illegal activities. You further agree to indemnify and hold us harmless from any suits, liability, damages, or adverse action of any kind that results directly or indirectly from your illegal use of your account, access devices, or services.

32. MONITORING OF PHONE CALLS AND COMMUNICATIONS —

In the regular course of business, we may monitor and record phone conversations and other electronic communications made or received by our employees. You agree that we will have such right with respect to all phone conversations and other electronic communications between you and our employees, whether initiated by you or any of our employees. We monitor and record conversations and communications for quality control, fraud prevention, and training purposes. For payment authorizations by telephone, we may require you confirm such instructions in writing.

33. CONSENT TO CALL AND TEXT —

By providing us your telephone number, including any wireless telephone number, you agree that we, our affiliates, agents, assigns, and service providers (referred to in this paragraph collectively as "callers") may contact you by telephone or text message in order to service your account or collect any amounts owed to us. You expressly consent that callers may contact you using prerecorded or artificial voice messages as well as by using an automatic dialing system. You may withdraw your consent to be contacted at any telephone number that you have provided to us. You may do so by any reasonable method. Your consent explicitly allows any callers to contact you using an autodialer or text messages to deliver any messages about suspected or actual fraud on your account, data security breaches, identity theft, or any other calls or text messages we deem necessary to service your account or collect any amounts owed to us. You understand and agree that your consent does not extend to advertising or telemarketing calls or texts to any wireless telephone number. You may have the opportunity to provide your separate written consent to advertising or telemarketing calls or texts.

34. SEVERABILITY —

Except as provided in the Class Action Waiver provision, if a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

35. ENFORCEMENT —

You are liable to us for any losses, costs or expenses

we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

36. GOVERNING LAW — This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which the Credit Union's main office is located, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located. Notwithstanding the foregoing or any other provision of this Agreement, the Federal Arbitration Act (Title 9 of the US Code) governs the interpretation and enforcement of the Arbitration and Class Action Waiver provision.

37. NEGATIVE INFORMATION NOTICE — We may report information about your loan, share or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

38. ARBITRATION AND CLASS ACTION WAIVER — **Please review this provision carefully: It affects your legal rights. Arbitration of a dispute will result in the loss of any right to participate in a class action lawsuit related to the claim arbitrated.**

a. Arbitration Procedures

1. Electing Arbitration. Except if you opt out as provided below, you or we may elect to arbitrate any claim or dispute between you and us arising from or related in any way to this Agreement or any account, product, or service you have or have had with us. This arbitration provision applies regardless of whether the claim or dispute is based in contract, tort, or otherwise. If arbitration is elected, any claim or dispute will be resolved by individual (not class-wide) binding arbitration instead of a lawsuit or other resolution in court. This arbitration provision does not apply to any individual action brought in small claims court (or your state court equivalent). Any arbitration hearing will be within 50 miles of your residence at the time the arbitration is commenced, unless otherwise mutually agreed.

2. Arbitration Costs. We will reimburse the amount of filing, case management, administration, and arbitrator fees you are required to pay. Notwithstanding the foregoing, we will not reimburse you for any fees if the arbitrators determine that your claim or dispute was frivolous or baseless. Each party will be responsible for its own fees, including attorneys' fees in any arbitration, except that the arbitrator is permitted to award attorneys' fees to the prevailing party under applicable law or agreement.

3. Arbitrators and Arbitration Rules. The party electing arbitration must choose between one of two organizations: the American Arbitration Association ("AAA"); or Judicial Arbitration and Mediation Services ("JAMS"). The rules and codes of procedure of the chosen organization in effect when arbitration is elected will apply. Arbitration will be conducted by a panel of three arbitrators. Each party will select an arbitrator within ten days of the filing of the arbitration, with such selected arbitrators selecting the third arbitrator, who will serve as chair of the panel, within twenty days of their appointment. The arbitrators are bound by the terms of this Agreement and each will be a retired judge or attorney with experience in financial institutions.

4. Effect of Arbitration Award. The arbitrators' decision and award will be final and binding on all parties, except for any right to appeal provided by the Federal Arbitration Act, and may be entered in any court, state or federal, having jurisdiction. Any relief available in a court of law can be awarded by the arbitrators.

b. Federal Arbitration Act

This Agreement is considered a transaction in interstate commerce. As such, the Federal Arbitration Act (Title 9 of the US Code) governs the interpretation and enforcement of this arbitration provision. Any issue concerning the validity or enforcement of this arbitration provision, or whether it applies to any specific claim or dispute will be determined by the arbitrators.

c. CLASS ACTION WAIVER

Unless prohibited by applicable law, arbitration will be solely brought in your individual capacity and be solely between you and us. Neither you nor we have the right to participate in a class action in court or arbitration, either as a class representative or class member. No arbitration between you and us may be joined or consolidated with any other arbitration. Under no circumstances shall there be any class action in arbitration. You and Y-12 Federal Credit Union acknowledge the Class Action Waiver is material and essential to the arbitration of any claims or disputes and is non-severable from this arbitration provision. If the Class Action Waiver is limited, voided or found unenforceable, then this arbitration provision (except for this sentence) shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver.

d. General

1. Severability; Survival. Except as provided in the Class Action Waiver above, if any term of this arbitration provision is found unenforceable for any reason, it shall be severed and the remaining terms shall be enforced without regard to the invalid or unenforceable provisions. This arbitration provision shall survive termination of the Agreement.

2. Available Relief. This arbitration provision does not preclude you from informing any federal, state or local agency or entity of your dispute. Such agency or entity may be able to seek relief on your behalf. Nothing in this arbitration provision limits your or our right, whether before, during or after the pendency of any arbitration proceeding, to exercise any self-help remedies, such as set-off, or repossession and sale of collateral, or to obtain injunctive relief or interpleader relief. The exercise of these rights will not constitute a waiver of the right to submit any dispute to arbitration.

3. Exclusion. To remove any doubt, this arbitration provision does not apply to: (i) any consumer credit transaction secured by a dwelling (including a home equity line of credit secured by your principal dwelling); or (ii) to any consumer credit obtained while you were a covered borrower as defined by the Military Lending Act.

e. RIGHT TO OPT OUT

YOU MAY OPT OUT OF THIS ARBITRATION AND THE CLASS ACTION WAIVER PROVISION BY SENDING A WRITTEN REQUEST TO US AT Y-12 FEDERAL CREDIT UNION, ATTN: OPT OUT FOR THE ARBITRATION CLAUSE, P.O. BOX 2512, OAK RIDGE, TN 38731-2512. YOUR WRITTEN NOTICE MUST INCLUDE YOUR NAME, ADDRESS, ACCOUNT NUMBER, AND INDICATE YOUR CHOICE TO OPT OUT OF THIS ARBITRATION AND CLASS ACTION WAIVER PROVISION.

NOTICE MUST BE RECEIVED WITHIN SIXTY (60) DAYS AFTER THIS AGREEMENT WAS FIRST DELIVERED OR OTHERWISE MADE AVAILABLE TO YOU. IF YOU FAIL TO OPT OUT WITHIN THIS SIXTY (60) DAY PERIOD, YOU WILL BE DEEMED TO HAVE PROVIDED YOUR CONSENT TO THE RESOLUTION OF CLAIMS OR DISPUTES THROUGH BINDING ARBITRATION. OPTING OUT OF ARBITRATION WILL NOT TERMINATE OR EFFECT ANY OTHER RIGHTS YOU OR WE HAVE UNDER THIS AGREEMENT. IF YOU OPT OUT, YOU MUST OPT OUT OF ALL TERMS OF THIS ARBITRATION AND CLASS ACTION WAIVER PROVISION. YOU MAY NOT OPT OUT OF ONLY CERTAIN TERMS.

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Funds Availability Policy Disclosure

This disclosure describes your ability to withdraw funds at Y-12 Federal Credit Union. It only applies to the availability of funds in transaction accounts. The Credit Union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have questions about which accounts are affected by this policy.

1. GENERAL POLICY — Our policy is to make funds from your cash and check or draft deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks or drafts that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:30 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 5:30 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

2. RESERVATION OF RIGHT TO HOLD — In some cases, we will not make all of the funds that you deposit by check or draft available to you on the same business day that we receive your deposit. Funds may not be available until the second (2nd) business day after the day of your deposit. However, the first \$225.00 of your deposit will be available on the first (1st) business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

3. HOLDS ON OTHER FUNDS — If we cash a check or draft for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check or draft we cashed would have been available if you had deposited it. If we accept for deposit a check or draft that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check or draft that you deposited.

4. LONGER DELAYS MAY APPLY — We may delay your ability to withdraw funds deposited by check or draft into your account an additional number of days for these reasons:

- We believe a check or draft you deposit will not be paid.
- You deposit checks or drafts totaling more than \$5,525 on any one day.
- You deposit a check or draft 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 (5th) business day after the day of your deposit.

5. SPECIAL RULES FOR NEW ACCOUNTS — If you are a new member, the following special rules will apply during the first thirty (30) days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks or drafts will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks or drafts must be payable to you. The excess over \$5,525 will be available on the ninth (9th) business day after the day of your deposit. If your deposit of these checks or drafts (other than a U.S. Treasury check or draft) is not made in person to one of our employees, the first \$5,525 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other check or draft deposits will be available on the ninth (9th) business day after the day of your deposit.

6. DEPOSITS AT NONPROPRIETARY ATMS — Funds from any deposits (cash or checks or drafts) made at automated teller machines (ATMs) we do not own or operate will not be available until the third (3rd) business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

7. FOREIGN CHECKS OR DRAFTS — Checks or drafts drawn on financial institutions located outside the U.S. (foreign checks or drafts) cannot be processed the same as checks or drafts drawn on U.S. financial institutions. Foreign checks or drafts are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks or drafts will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

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

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

- a. In certain cases, federal law provides a special procedure that allows you

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

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to dividends on the amount of your refund if your account is a dividend-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500 of your refund (plus dividends) within 10 business days after we received your claim and the remainder of your refund (plus dividends) not later than 45 calendar days after we received your claim. We may reverse the refund (including any dividends on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

b. If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact the Credit Union. You must contact us within 40 calendar days of the date that we mailed or otherwise delivered the account statement showing that the substitute check was posted to your account. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include-

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

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Electronic Funds Transfer Agreement and Disclosure

This Electronic Funds Transfer Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic funds transfer (EFT) services offered to you by Y-12 Federal Credit Union (Credit Union). In this Agreement, the words you and yours mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words we, us, and our mean the Credit Union. The word account means any one or more share and share draft accounts you have with the Credit Union. Electronic funds transfers are electronically initiated transfers of money from your account through the electronic funds transfer services described below. **By signing an application or account card for EFT services, signing your card, or using any service, each of you, jointly and severally, agree to the terms and conditions in this agreement and any amendments for the EFT services offered.**

1. EFT SERVICES — If approved, you may conduct any one or more of the EFT services offered by the Credit Union.

a. Debit Card. You may use your card to purchase goods and services any place your card is honored by participating merchants. However, you may not use your card to initiate any type of gambling transaction. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your card purchases will be deducted from your share draft account. For ATM and one-time debit card transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transaction. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges. For other types of transactions, if the available balance in your account is not sufficient to pay the transaction amount, the Credit Union may pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts, or loan accounts that you have established with the Credit Union. If you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement. You may use your Card and PIN (Personal Identification Number) in automated teller machines of the Credit Union, Co-op, Plus, Pulse, Visa Networks, and such other machines or facilities as the Credit Union may designate. In addition, you may use your card without a PIN for certain transactions of the Pulse, Star, or Co-op network(s). However, provisions of this Agreement relating to Visa transactions do not apply to transactions processed through non-Visa networks. To initiate a Visa Debit transaction, you may sign a receipt, provide a card number or swipe your card through a point-of-sale (POS) terminal and choose to route the transaction over a Visa network. Please refer to the Member Liability section of this Agreement for terms and conditions. At the present time you may use your card to:

- Make deposits to your share and share draft accounts.
- Withdraw funds from your share and share draft accounts.
- Transfer funds from your share and share draft accounts.
- Obtain balance information for your share and share draft accounts.
- Access your over-draft account.
- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at merchants that accept Visa.
- Order goods or services by mail or telephone from places that accept Visa.

The following limitations on the frequency of online banking transactions may apply:

- Refer to the Truth-in-Savings Disclosure for limits on purchase amounts.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- For security purposes there are other limits on the frequency and amount of transfers available at ATMs.
- See the Transfer Limitations Section for transfer limitations that may apply to these transactions.

b. MARS (Member Audio Response). If we approve the MARS (Member Audio Response) access service for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time you may use the audio response access service to:

- Transfer funds from your share, share draft and money market accounts.
- Obtain balance information for all share and share draft accounts.
- Make loan payments from your share, share draft and money market accounts.
- Access your overdraft Line-of-Credit account.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.
- Obtain rates on deposits and loans.

Your accounts can be accessed under the MARS (Member Audio Response) service via a touch tone telephone only. MARS (Member Audio Response) service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing.

- There is no limit to the number of inquiries, or transfers you may make in any one day.
- No limit, if sufficient funds are available.
- See the Transfer Limitations Section for transfer limitations that may apply to these transactions.

The Credit Union reserves the right to refuse any transaction which would draw upon an insufficient available balance, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account.

The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each telephone call.

c. Preauthorized EFTs.

- **Direct Deposit.** Upon instruction of (i) your employer or (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of federal recurring payments, such as Social Security, to all your accounts.
- **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your share draft account.
- **See the Transfer Limitations section for transaction limitations that may apply to these transactions.**
- **Stop Payment Rights.** If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify us orally or in writing at the telephone number or address disclosed in the "Billing Errors" section below at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made. A stop payment request for preauthorized Electronic Fund Transfers will apply to all subsequent transfers, unless you withdraw the request.
- **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay is required to 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.

• **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop payment of a preauthorized transfer 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.

d. Electronic Check Conversion/Electronic Returned Check Fees. If you pay for purchases or bills with a check or draft, you may authorize your check or draft to be converted to an electronic funds transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic funds transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization. You agree that a merchant (or other payee) may convert a check or draft to an electronic funds transfer and that the merchant may present or submit the check, draft, or electronic funds transfer (or any combination of these) for payment. You further agree that we will determine whether the check, draft, or electronic funds transfer will exceed the available balance in your account and, if so, we may charge you an NSF fee for each time we return or reject a check, draft, or electronic funds transfer even if this means the transaction you authorized results in multiple NSF fees.

e. Online Banking/PC EFTs. If we approve the online banking /PC access service for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At present time, you may use online banking access service to:

- Transfer funds from your share, share draft and money market accounts, and, if approved, to other member accounts using the Member to Member Transfer Option.
- Obtain balance information for your share, share draft, loan, VISA, IRA, money market, club, and certificate accounts.
- Make loan payments from your share and share draft accounts.
- Access your line of credit accounts.
- Make bill payments to preauthorized creditors (via personal computer only).

Your accounts can be accessed under online banking /PC access service via personal computer, mobile phone, or other access device. Online banking service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction which would draw upon an insufficient available balance, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each access.

• See the Transfer Limitations Section for transfer limitations that may apply to these transactions.

f. Online Banking (Bill Payments). We will process bill payment transfer requests only to those creditors the Credit Union has designated in the User Instructions and such creditors as you authorize and for whom the Credit Union has the proper vendor code number. We will not process any bill payment

transfer if the required transaction information is incomplete. We will withdraw the designated funds from your checking account for bill payment transfer by the designated cut-off time on the date you schedule for payment. We will process your bill payment transfer within a designated number of days before the date you are scheduled for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. Please leave as much time as though you were sending your payment by mail. We cannot guarantee the time that any payment will be credited to your account by the vendor. A fee may be imposed on bill payment services as set forth in the Truth-in-Savings Disclosure. There is no limit on the number of bill payments per day.

g. Mobile Banking. If we approve Mobile Banking for your accounts, you will then utilize your home banking UserID and password to access your accounts. At the present time, you may use Mobile Banking to:

- Transfer funds from your share and share draft accounts and, if approved, to other member accounts using the Member to Member Transfer.
- Obtain balance information for your share, share draft, loan, VISA, IRA, money market, club, and certificate accounts.
- Make loan payments from your share and share draft accounts.
- Access your line of credit accounts.
- Determine if a particular item has cleared.
- Verify the last date and amount of your payroll deposit.
- Make bill payments to preauthorized creditors.

Your accounts can be accessed under Mobile Banking via mobile device or other approved access device(s). Mobile Banking will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction which would draw upon an insufficient available balance, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

- See the Transfer Limitations Section for transfer limitations that may apply to these transactions.

h. Member to Member Transfer. If we approve Member to Member Transfer service on your account, you may transfer funds from your Y-12 FCU accounts to any other Y-12 FCU member's account using mobile or online banking. You may transfer up to your daily limit in mobile and online banking. Mobile Member to Member Transfer transactions are limited to ten per day up to your available balance or \$5,000, whichever is less. You are responsible for ensuring you provide the correct account number and information to perform the transfer. By using the service you authorize the Credit Union to transfer funds to the account number you specify. Any disputes regarding authorized transfers are between you and the recipient. Your enrollment is required for this service. We reserve the right to terminate and/or amend this service at any time, without prior notice.

2. TRANSFER LIMITATIONS — For all share accounts, you may make no more than six (6) transfers and withdrawals from your account to another account of yours or to a third party in any month by means of a preauthorized, automatic or Internet transfer, by telephonic order or instruction, or by check, draft, debit card,

or similar order. If you exceed these limitations, your account may be subject to a fee or be closed.

3. CONDITIONS OF EFT SERVICES —

a. Ownership of Cards. Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. The card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your card or account to another person.

b. Honoring the Card. Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

c. Foreign Transactions. Debit Cards. Purchases and cash withdrawals made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or the government-mandated rate in effect for the applicable central processing date, in each instance plus an additional 1%. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. Foreign transactions may be blocked or restricted. For additional information regarding foreign transactions, please contact the Credit Union.

d. Security of Access Code. You may use one or more access codes with your electronic funds transfers. The access codes issued to you are for your security purposes. Any codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

e. Joint Accounts. If any of your accounts accessed under this agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this agreement and, alone and together, shall be responsible for all EFT transactions to or from any share and share draft or loan accounts as provided in this agreement. Each joint account owner, without the consent of any other account owner, may, and hereby is authorized by every other joint account owner to, make any transaction permitted under this agreement. Each joint account owner is authorized to act for the other account owners, and the Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

4. FEES AND CHARGES — There are certain charges for electronic funds transfer services. For a current listing of all applicable fees, see our current Fee Disclosure that was provided to you at the time you applied for or requested these electronic services. From time to time, the charges may be changed. We will notify you of any changes as required by applicable law.

If you use an ATM that is not operated by us, you may be charged a fee by the ATM

operator and by any national, regional or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction. You understand and agree that the ATM operator may charge multiple fees for multiple transactions (for example, a fee for a balance inquiry and a fee for a withdrawal) during the same ATM session.

5. MEMBER LIABILITY — You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts. You are responsible for providing the correct account number and other information to perform transactions. Any disputes regarding authorized transactions are between you and the recipient. Many common scams require you to share your log on credentials with others to obtain a benefit such as an online loan, prize winnings, refund, or inheritance. Do not share this information. You are responsible for the resulting transactions. Contact us at once if you have shared your credentials.

TELL US AT ONCE if you believe your card has been lost or stolen or if you believe someone has used your card or access code or otherwise accessed your accounts without your authority, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If a transaction was made with your card or card number without your permission, and was either a Visa or Interlink transaction, you will have no liability for the transaction, unless you have engaged in fraud or were negligent in the handling of your account or card. For all other EFT transactions, including ATM transactions, your liability for an unauthorized transaction is determined as follows.

If you tell us within two (2) business days after you learn of the loss or theft of your card or access code, you can lose no more than \$50 if someone used your card without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, TELL US AT ONCE. If you do not tell us within sixty (60) days after the statement was mailed or provided to you (including electronic delivery), you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call:

(865) 482-1043 or 1-800-482-1043

or write to:

Y-12 Federal Credit Union

P.O. Box 2512

Oak Ridge, TN 37831-2512 Fax: (865) 690-4280

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

6. RIGHT TO RECEIVE DOCUMENTATION—

a. Periodic Statements. Transfers and withdrawals made through any ATM or POS terminal, debit card transactions, audio response transactions, preauthorized EFTs, online/PC transactions, or bill payments you make will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. Terminal Receipt. You can get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM and/or point-of-sale (POS) terminal. However, you may not receive a receipt if the amount of the transaction is \$15 or less.

c. Direct Deposit. If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling (865) 482-1043. This does not apply to transactions occurring outside the United States.

7. ACCOUNT INFORMATION DISCLOSURE — We will disclose information to third parties about your account or the transfers you make:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- If your account is eligible for emergency cash and/or emergency card replacement services, and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s);
- To comply with government agency or court orders;
- As explained in our Privacy Notice; or
- If you give us your written permission.

8. BUSINESS DAYS — Our business days are Monday through Friday, excluding holidays.

9. CARD INFORMATION UPDATES AND AUTHORIZATIONS — If you have authorized a merchant to bill charges to your card on a recurring basis, it is your responsibility to notify the merchant in the event your card is replaced, your card information (such as card number and expiration date) changes, or the account associated with your card is closed. However, if your card is replaced or card information changes, you authorize us, without obligations on our part, to provide the updated card information to the merchant in order to permit the merchant to bill recurring charges to the card. You authorized us to apply such recurring charges to the card until you notify us that you have revoked authorization for the charges to your card.

Your card is automatically enrolled in an information updating service. Through this service, your updated card information (such as card number and expiration date) may be shared with participating merchants to facilitate continued recurring charges. Updates are not guaranteed before your next payment to a merchant is due. You are responsible for making direct payment until charges resume. To revoke your authorization allowing us to provide updated card information to a merchant, please contact us.

10. CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS — If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- If, through no fault of ours, the available balance in your accounts are insufficient to complete the transaction, if any funds in your accounts necessary

to complete the transaction are held as uncollected funds or pursuant to our Funds Availability Policy Disclosure, or if the transaction involves a loan request exceeding your credit limit.

- If you used your card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction,
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- If the error was caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your willful or negligent use of your card, access code, or any EFT facility for making such transfers.
- If the telephone or computer equipment you use to conduct audio response or online/PC transactions is not working properly and you know or should have known about the breakdown when you started the transaction.
- If you have bill payment services, we can only confirm the amount, the participating merchant, and date of the bill payment transfer made by the Credit Union. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. We are not responsible for investigating such errors.
- Any other exceptions as established by the Credit Union.

11. NOTICES — All notices from us will be effective when we have mailed them, provided them, or delivered them to your last known address (including e-mail address) in the Credit Union's records. Notices from you will be effective when received by the Credit Union at the address specified in this agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail or deliver notice to you before the effective date of any change in accordance with the applicable law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

The following information is a list of safety precautions regarding the use of ATMs and night deposit facilities.

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- Close the entry door of any ATM facility equipped with a door.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your card or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number (PIN) or access code on your

ATM card.

- Report all crimes to law enforcement officials immediately. If emergency assistance is needed, call the police from the nearest public telephone.

12. BILLING ERRORS — In case of errors or questions about electronic funds transfers from your share and share draft accounts, or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. Call us at:

(865) 482-1043 or 1-800-482-1043 or write to:

Y-12 Federal Credit Union

P.O. Box 2512

Oak Ridge, TN 37831-2512 Fax: (865) 690-4280

- Tell us your name and account number.
- Describe the electronic transfer you are unsure about and explain, as clearly as you can why you believe the Credit Union has made an error or why you need more information.
- Tell us the dollar amount of the suspected error.

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

We will determine whether an error has occurred within ten (10)* business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45** days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within ten (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 ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not provisionally credit your account.

We will tell you the results within three (3) 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 the documents that we used in our investigation.

* If you give notice of an error within 30 days after you make the first deposit to your account, we will have 20 business days instead of ten (10) business days to initially investigate the error before determining whether we need more time and deciding to provide you with provisional credit while we continue our investigation.

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

NOTE: If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will provisionally credit your account within five (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive provisional credit within ten (10) business days.

13. TERMINATION OF EFT SERVICES — You may terminate this agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your card and any access code. You must return all cards to the Credit Union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this agreement at any time by notifying you orally or in writing. If we

terminate this agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card or access code for any EFT service. Whether you or the Credit Union terminates this agreement, the termination shall not affect your obligations under this agreement for any electronic transactions made prior to termination.

14. GOVERNING LAW — This agreement is governed by the bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Tennessee and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

15. ENFORCEMENT — You are liable to us for any losses, costs, or expenses we incur resulting from your failure to follow this agreement. You authorize us to deduct any such losses, costs, or expenses from your account with prior notice to you. If we bring a legal action to collect any amount due under or to enforce this agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

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