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MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers your rights and responsibilities concerning your accounts and the rights and responsibilities of the Credit Union providing this Agreement (Credit Union). In this Agreement, the words "you," "your," and "yours" mean anyone who signs an Account Card, Account Change Card, or any other account opening document (Account Card), or for whom membership and/or service requests are approved through the Credit Union's online application and authentication process. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share or deposit accounts you have with the Credit Union.

Your account type(s) and ownership features are designated by you on your Account Card or through the Credit Union's online application and authentication process. By signing an Account Card or authenticating your request, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any Account Card, Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Fund Transfers Agreement and Disclosure, Privacy Disclosure, or Account Receipt accompanying this Agreement, the Credit Union Bylaws or Code of Regulations (Bylaws), Credit Union policies, and any amendments made to these documents from time to time that collectively govern your membership, accounts and services.

IMPORTANT INFORMATION ABOUT OPENING A NEW ACCOUNT - To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person when opening a new account.

What does this mean for you? When you open a new account, we will ask for your name, address, date of birth, and other information that help us to identify you. We may also ask to see some type of positive identification.

1. MEMBERSHIP ELIGIBILITY - To join the Credit Union, you must meet the membership requirements, including purchase and maintenance of the minimum required share(s) (hereinafter membership share) and/or paying a membership fee 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, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

2. SINGLE PARTY ACCOUNTS - A single party (individual) account is an account owned by one member who has qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner's 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, any security interest or pledge granted by the account owner, and our statutory lien rights.

3. MULTIPLE PARTY ACCOUNTS - An account established under the Maryland Multiple Party Accounts Law includes joint accounts, POD accounts and trust accounts. A joint account is an account owned by two or more persons.

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

b. Control of Joint Accounts. Any party is authorized and deemed to act for any other party(ies) and may instruct us regarding transactions and other account matters. Each party guarantees the signature or authenticated request of any other party(ies). Any party may withdraw or transfer funds, pledge to us all or any part of the shares (except the membership share), or stop payment on items without the consent of the other party(ies). We have no duty to notify any party(ies) about any transaction. We reserve the right to require written consent of all parties for any change to or termination of an account. If we receive written notice of a dispute between parties or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all parties in order to act.

c. Liability of Parties on an Account. 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 parties, jointly and severally, are liable to us for any returned item, overdraft, or unpaid amount and for any related fees and charges, regardless of who initiated or benefited from the transaction. If any party is indebted to us, we may enforce our rights against any account of the indebted party, including all funds in the joint account, regardless of who contributed the funds.

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 party(ies) during his, her, or their lifetimes and, when the last party dies, is payable to all surviving POD payees or trust beneficiaries. Unless state law provides for different ownership or as permitted and documented by us, the beneficiaries/payees will own the funds jointly in equal shares without rights of survivorship when there is more than one surviving beneficiary/payee. Any POD payee or trust beneficiary designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account nor 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 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 amount on such account and for any related fees and charges. 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 except as required by applicable law. We will not change the account status when the minor reaches the age of majority unless the change is authorized in writing by all account owners.

6. UNIFORM TRANSFERS TO MINORS ACCOUNT - A Uniform Transfers to Minors Account (UTMA) 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



authorized to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. 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 withdrawals.

7. DEPOSIT OF FUNDS REQUIREMENTS - Funds may be deposited to any account, in any manner approved by the Credit Union in accordance with the requirements 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 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 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 check or draft within 1½ inches of 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. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service.

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 loss of an item in transit or the negligence of any correspondent. 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," and "not valid over \$500.00." 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 restriction or limitation.

d. Final Payment. All checks, drafts, automated clearinghouse (ACH) transfers or other items 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 and impose a returned item fee 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 fund transfer.

e. Direct Deposits. We may offer direct deposit services, including 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 completing a separate authorization document. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. 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. 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 will be credited to your account on the day we consider them received as stated in our Funds Availability Policy Disclosure.

8. ACCOUNT ACCESS

a. Authorized Signature. Your signature on the Account Card, or authentication and approval of your account, 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 information, even if you do not authorize a particular transaction.

b. Access Options. You may access your account(s) in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access or mobile application. We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any losses, expenses or fees we incur as a result of 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 may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law.

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

9. FUND TRANSFERS - Fund transfers we permit that are subject to Article 4A of the Uniform Commercial Code, such as wire transfers, 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, except as otherwise provided in this Agreement. ACH transfers are subject to rules of the National Automated Clearinghouse Association (NACHA). We may execute certain requests for fund transfers by Fedwire which are subject to the Federal Reserve Board's Regulation J.

a. Authorization for Transfers/Debiting of Accounts. You may make or order fund transfers to or from your account. We will debit your account for the amount of a fund transfer from your account and will charge your account for any fees related to the transfer.

b. Right to Refuse to Make Transfers/Limitation of Liability. Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment 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. 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. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with fund transfers to or from your account.

c. No Notice Required. We will not provide you with notice when fund transfers are 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.

d. Interest Payments. 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, whichever applies to your account, for the period of delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

e. Provisional Credit for ACH Transactions. We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

f. Payment Order Processing and Cut-off Times. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. Fund transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next fund transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

g. Identifying Information. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

h. Amendments and Cancellations of Payment Orders. Any account owner may amend or cancel a payment order regardless of whether that person initiated 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.

i. Security Procedures. We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

j. Duty to Report Unauthorized or Erroneous Fund Transfers. You must exercise ordinary care to identify and report unauthorized or erroneous fund transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

k. Recording Telephone Requests. You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

l. Remittance Transfers. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. If we act as a remittance transfer provider and conduct a remittance transfer(s) on your behalf, the transaction(s) will be governed by 12 C.F.R. part 1005, subpart B - Requirements for remittance transfers. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

10. ACCOUNT RATES AND FEES - We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure and 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.

11. TRANSACTION LIMITATIONS

a. Withdrawal Restrictions. We will pay checks or drafts, permit withdrawals, and make transfers from the available balance in your account. 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 when you have an insufficient available balance in your account if you have established an overdraft protection plan or, if you do not have such a plan with us, in accordance with our overdraft payment policy.

We may refuse to allow a withdrawal in some situations and will advise you accordingly if, for example: (1) there is 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 7 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 Fund Transfers Agreement and Disclosure.

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

13. OVERDRAFTS

a. Understanding Your Account Balance. Your checking account has two kinds of balances: the "Balance", which is referred below as the "Current Balance", and the "Available Balance." Both can be checked online at www.esfcu.org, at an ATM, by visiting a branch or by calling us at 301.779.8500.

Your Current Balance reflects all deposits made to your account, even if a portion of those deposits is on hold and therefore not available to you to use. (See our Funds Availability Policy Disclosure). It also reflects payment transactions that have actually "posted" to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. While the term "current" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any purchases, such as debit card purchases, fees, and other charges or outstanding checks that have not yet posted, will not appear in your Current Balance.

Your Available Balance is the amount of money in your account that is available to you to use without incurring an overdraft fee. Your Available Balance can change throughout the day with any activity affecting your account, such as deposits, withdrawals or debit transactions. The Available Balance takes into account things such as (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but

are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. In addition, pending transactions (such as pending debit card purchases) that you initiated and we have authorized but that have not yet posted to your account will also decrease your Available Balance. We use your Available Balance at the time a transaction is presented for payment to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. It is very important to understand that you may still overdraw your account even though the Available Balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your Available Balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. In addition, your Available Balance may not reflect all of your debit card transactions. The best way to understand how much money you have, and avoid overdrafts, is to keep careful track of all your deposits, any holds, any decreases in your Available Balance, and payment transactions.

b. Payment of Overdrafts. If, on any day, the Available Balance in your share or deposit account is not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee, that is posted to your account, we may return the item or pay it, as described below. The Credit Union's determination of an insufficient Available Balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have a sufficient Available Balance in order to pay an item. Your account may be subject to a fee for each item regardless of whether we pay or return the item. We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) and ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union will not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from another account of yours to cover an insufficient item, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Schedule of Fees and Charges.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us or, if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

c. How Transactions are Posted to Your Account. Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

Credits. Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.

Debits. There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments in the order contained in the data file.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your current balance by the amount authorized but will not affect your current balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

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

14. POSTDATED AND STALEDATED CHECKS OR DRAFTS - You agree not to issue any check or draft that is payable on a future date (postdated). If you do draw or issue a check or draft that is postdated 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 months past its date; however, if the check or draft is paid against your account, we will have no liability for such payment.

15. 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 accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union 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 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.

Stop payment orders for preauthorized debit transactions from your account are governed by Regulation E. Please refer to the Electronic Fund Transfers Agreement and Disclosure for rules regarding stop payments on preauthorized debit transactions.

b. Duration of Order. You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order is effective for six months and may be renewed for additional six-month periods by submitting a renewal request in writing, or in a record if allowed by applicable law, before the stop payment order then in effect expires. We do not have 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. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. 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 and all damages or claims related to our refusal to pay an item, as well as claims of any joint account owner or of any payee or endorsee for failing to stop payment of an item as a result of incorrect information provided by you.

16. 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, for example: (1) your account contains an insufficient available balance for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; 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 are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general financial institution practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict regarding what you and our employees say or write will be resolved by reference to this Agreement.

17. CHECKS OR DRAFTS 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. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable check or draft cashing fees are stated in the Schedule of Fees and Charges.

18. REMOTELY CREATED CHECKS OR DRAFTS - For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks or drafts may be drawn. A remotely created check or draft is a check or draft created by someone other than the person on whose account the check or draft is drawn. A remotely created check or draft is generally created by a third party payee as authorized by the owner of the account on which the check or draft is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check or draft. In place of the owner's signature, the remotely created check or draft usually bears a statement that the owner authorized the check or draft or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check or draft against your account, you may not later revoke or change 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 or draft for which the third party has proof of your authorization.

19. PLEDGE, RIGHT OF OFFSET AND 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(s) 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. You agree we have the right to offset funds in any of your accounts against the obligation owed to us. 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 federal or state 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(s) to what you owe when you are in default, except as limited by federal or state law. If we do not apply or offset the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply or offset 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 federal or state law if given as security. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

20. LEGAL PROCESS - If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved, as permitted by law. 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.

21. 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; or (4) you give us written permission.

22. NOTICES

a. Name or Address Changes. You are responsible for notifying us of any name or address change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to be

provided in writing. 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 at any time. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rates or fees as required by law. We reserve the right to waive any terms of 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 provided electronically or is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address, and will be effective whether or not received by you. 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.

23. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING - You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. 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 a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN within a reasonable time we may close your account and return the balance to you, less any applicable service fees.

24. STATEMENTS

a. Contents. If we provide a periodic statement for your account, you will receive a periodic statement that shows the 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 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 of the check or draft may be retained by us or by payable-through financial institutions and may be made available upon your request. You understand and agree that statements are made available to you on the date they are mailed to you or, if you have requested, on the date they are made available to you electronically. You also understand and agree that checks, drafts, or copies thereof are made available to you on the date the statement is mailed to you or is provided to you electronically, 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 that are reflected on your statement within 60 days of the date we sent or otherwise provided 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 facsimile signature equipment.

Unauthorized electronic fund transfers governed by Regulation E are subject to different reporting periods. Please refer to the Electronic Fund Transfers Agreement and Disclosure for reporting requirements pertaining to electronic fund transfers.

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 charge 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.

d. Address. If we mail you a statement, we will send it to the last known address shown in our records. If you have requested to receive your statement electronically, we will send the statement or notice of statement availability to the last e-mail address shown in our records.

25. INACTIVE ACCOUNTS - As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our Schedule of Fees and Charges. 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 or reserve account 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 then 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. If you choose to reclaim such funds, you must apply to the appropriate state agency.

26. 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. We may require that account changes requested by you, or any account owner, such as adding or closing an account or service, be evidenced by a signed Account Change Card or other document which evidences a change to an account and accepted by us.

27. 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, for example: (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; (7) we reasonably deem it necessary to prevent a loss to us; or (8) as otherwise permitted by law. 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, transaction, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

28. TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES - You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

29. DEATH OF ACCOUNT OWNER - We may honor all transfer orders, withdrawals, deposits, and other transactions on an account until we know of a member's death. Even with such knowledge, we may continue to pay checks or drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten days after the member's death 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.

30. 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. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.

31. SEVERABILITY - 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.

32. 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.

33. GOVERNING LAW - This Agreement is governed by the following, as amended from time to time: the Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Maryland. 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.

34. 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.

35. MONITORING AND RECORDING COMMUNICATIONS - We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

FUNDS AVAILABILITY POLICY DISCLOSURE

This Disclosure describes your ability to withdraw funds at Educational Systems 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 a question about which accounts are affected by this policy.

- 1. GENERAL POLICY** — Our policy is to delay the availability of funds from your cash and check deposits. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written.
- 2. DETERMINING THE AVAILABILITY OF A DEPOSIT** — When we delay the availability of a deposit the length of the delay is determined by counting the business days from the day of your deposit. Every day is a business day except Saturdays, Sundays and federal holidays. If you make a deposit before close of business on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of business or on a business day we are not open, we will consider that the deposit was made on the next business day we are open.

The length of the delay varies depending on the type of deposit and is explained below.

- 3. SAME-DAY AVAILABILITY** — Funds from electronic direct deposits to your account will be available on the same business day that we receive the deposit.
- 4. NEXT-DAY AVAILABILITY** — Funds from the following deposits are available by the first business day after the day of your deposit:
 - U.S. Treasury checks that are payable to you
 - Wire transfers
 - Checks drawn on Educational Systems Federal Credit Union
- 5. NEXT-DAY AVAILABILITY FOR CERTAIN DEPOSITS MADE IN PERSON** — Funds from the following deposits are available by the first business day after the day we receive your deposit, if you make the deposit in person to one of our employees:
 - Cash
 - State and local government checks that are payable to you
 - Cashier's, certified, and teller's checks that are payable to you
 - Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available by the second business day after the day we receive your deposit.

- 6. AVAILABILITY OF OTHER CHECK DEPOSITS** — The first \$225.00 from a deposit of other checks will be available by the first business day after the day of your deposit. The remaining funds will be available by the second business day after the day of your deposit. For example, if you deposit a check of \$700.00 on a Monday, \$225.00 of the deposit will be available by Tuesday. The remaining \$475.00 will be available by Wednesday.
- 7. HOLDS ON OTHER FUNDS** — If we cash a check 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 we cashed would have been available if you had deposited it. If we accept for deposit a check 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 that you deposited.
- 8. LONGER DELAYS MAY APPLY** — We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:
 - We believe a check you deposit will not be paid.
 - You deposit checks totaling more than \$5,525.00 on any one (1) day.
 - You redeposit a check that has been returned unpaid.
 - You have overdrawn your account repeatedly in the last six (6) 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 seventh business day after the day of your deposit.

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the same business day that we receive your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525.00 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525.00 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the first business day after the day of your deposit.

- 10. THIRD PARTY CHECKS** — We reserve the right to refuse third party checks we receive for deposit. Any third party check we accept for deposit must be endorsed by all payees, and we may delay the availability of funds from the deposit in accordance with this disclosure.

- 11. ATMs THAT WE OWN AND OPERATE** — Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available by the first business day following the day of your deposit.

- 12. FOREIGN CHECKS** — We do not accept checks drawn on financial institutions located outside of the United States.

Electronic Fund Transfers Agreement and Disclosure

This Electronic Fund Transfers Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic fund transfers (EFT) services offered to you by Educational Systems Federal Credit Union ("Credit Union"). In this Agreement, the words "you," "your," 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 (1) or more savings and checking accounts you have with the Credit Union. Electronic fund transfers are electronically initiated transfers of money from your account through the EFT 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. Furthermore, electronic fund transfers that meet the definition of remittance transfers are governed by 12 C.F.R. part 1005, subpart B—Requirements for remittance transfers, and consequently, terms of this agreement may vary for those types of transactions. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

1. EFT Services: If approved, you may conduct any one (1) or more of the EFT services offered by the Credit Union.

a. The Educational Systems FCU Automated Teller Machine Card: If approved, you may use your card and personal identification number (PIN) in automated teller machines (ATMs) of the Credit Union, PLUS networks, and such other machines or facilities as the Credit Union may designate. For ATM 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. Services and fees for ATM 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.

At the present time, you may use your card to:

- Make deposits to your savings and checking accounts at Educational Systems FCU owned ATMs.
- Obtain advances from your Line of Credit and Visa Credit Card accounts at Educational Systems FCU owned ATMs.
- Obtain advances from your Line of Credit account at foreign ATMs.
- Withdraw funds from your savings and checking accounts.
- Transfer funds from your savings and checking accounts.
- Obtain balance information for your savings, checking, and Line of Credit accounts.
- Obtain balance information for your loan and certificate accounts at Educational Systems FCU owned ATMs.
- Make loan payments from your savings and checking accounts.

The following limitations on The Educational Systems FCU Automated Teller Machine Card transactions may apply:

- There is no limit on the number of cash withdrawals you may make in any one (1) day.
- You may withdraw up to a maximum of \$500.00 in any one (1) day, if there are sufficient funds in your account.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal.

b. Visa Debit Card: If approved, you may use your Visa® debit card to purchase goods and services from participating merchants. However, you may not use your card to initiate any type of electronic gambling transactions through the Internet. 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 checking 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 transactions. 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 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 personal identification number (PIN) in ATMs of the Credit Union, PLUS networks, and such other machines or facilities as

the Credit Union may designate. In addition, you may use your Visa debit card without a PIN for certain transactions on the Visa and STAR networks. However, provisions of this Agreement relating only to Visa debit transactions, such as additional limits on your liability and streamlined error resolution procedures, 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 or insert your card at a point-of-sale (POS) terminal and choose to route the transaction over a Visa network.

At the present time, you may also use your card to:

- Make deposits to your savings and checking accounts at Educational Systems FCU owned ATMs.
- Obtain advances from your Line of Credit and Visa Credit Card accounts at Educational Systems FCU owned ATMs.
- Obtain advances from your Line of Credit account at foreign ATMs.
- Withdraw funds from your savings and checking accounts.
- Transfer funds from your savings and checking accounts.
- Obtain balance information for your savings, checking, and Line of Credit accounts.
- Obtain balance information for your loan and certificate accounts at Educational Systems FCU owned ATMs.
- Make loan payments from your savings and checking accounts.
- 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 online, by mail or telephone from places that accept Visa.

The following limitations on Visa Debit Card transactions may apply:

- You may make 20 Visa Debit Card purchases per day.
- Purchase amounts are limited to the amount in your account.
- You may purchase up to a maximum of \$5,000.00 per day.
- There is no limit to the number of cash withdrawals you may make in any one (1) day from an ATM machine.
- You may withdraw up to a maximum of \$500.00 in any one (1) day from an ATM machine, if there are sufficient funds in your account.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- You may purchase up to a maximum of \$1,000.00 from POS terminals per day, if there are sufficient funds in your account.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

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 obligation 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 authorize 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 recurring charges resume. To revoke your authorization allowing us to provide updated card information to a merchant, please contact us.

c. Audio Response Teller (ART): If we approve Audio Response Teller (ART) 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 Audio Response Teller (ART) to:

- Withdraw funds from your savings and checking accounts.
- Transfer funds from your savings and loan accounts.
- Obtain advances from your Line of Credit and Visa Credit Card accounts.
- Obtain balance information for your savings, checking, certificate, and Line of Credit accounts.
- Make loan payments from your savings and checking accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on savings and checking accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Audio Response Teller (ART) via a touch-tone telephone only. Audio Response Teller (ART) 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.

The following limitations on Audio Response Teller (ART) transactions may apply:

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one (1) day.
- See Section 2 for transfer limitations that may apply to these transactions.

The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. 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.

d. Preauthorized EFTs:

- **Direct Deposit:** Upon instruction of (i) your employer, (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your savings and/or checking account.
- **Preauthorized Debits:** Upon instruction, we will pay certain recurring transactions from your savings and/or checking account.
- See Section 2 for transfer limitations that may apply to these transactions.
- **Stop Payment Rights:** If you have arranged in advance to make electronic fund transfers out of your account(s) for money you owe others, you may stop payment on preauthorized transfers from your account. You must notify us orally or in writing 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 14 days of any oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made. A stop payment request may apply to a single transfer, multiple transfers, or all future transfers as directed by you, and will remain in effect unless you withdraw your request or all transfers subject to the request have been returned.
- **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.

e. 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 fund 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 fund 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.

f. The Educational Systems FCU Digital Banking Service: If The Educational Systems FCU Digital Banking Service is activated for your account(s), you will be required to use secure login information to access the account(s). At the present time, you may use The Educational Systems FCU Digital Banking Service to:

- Withdraw funds from your savings and checking accounts.
- Transfer funds from your savings and checking accounts.
- Obtain balance and history information for your savings, checking, loan, certificate, and Line of Credit accounts.
- Obtain advances from your Line of Credit and Visa Credit Card accounts.
- Make loan payments from your savings and checking accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on savings and checking accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.
- Access and enroll in the Educational Systems FCU Bill Pay (Bill Pay Services) and eStatement services.

Your accounts can be accessed under The Educational Systems FCU Digital Banking Service via personal computer. The Educational Systems FCU Digital 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 insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. 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.

The following limitations on The Educational Systems FCU Digital Banking Service transactions may apply:

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one (1) day.
- See Section 2 for transfer limitations that may apply to these transactions.

g. The Educational Systems FCU Online Bill Pay (Bill Payment Services): 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 cutoff 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 schedule 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.

The following limitations on The Educational Systems FCU Online Bill Pay (Bill Payment Services) transactions may apply:

- There is no limit on the number of bill payments per day.

2. Transfer Limitations: For all savings 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. Visa Foreign Transactions: 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 transaction date, which rate may vary from the rate Visa itself receives, or the rate mandated by the government or governing body in effect for the applicable transaction date. The exchange rate used on the transaction date may differ from the rate that would have been used on the processing date or cardholder statement posting date. Transactions completed by merchants outside of the United States are considered foreign transactions, regardless of whether you are located inside or outside the United States at the time of the transaction.

d. Security of Access Code: You may use one (1) or more access codes with your electronic fund transfers. The access codes issued to you are for your security purposes. Any access 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 savings and checking or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and is hereby authorized by every other joint account owner, 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: We assess certain fees and charges for EFT services. For a current listing of all applicable fees and charges, see our current Schedule of Fees and Charges that was provided to you at the time you applied for or requested these EFT services. From time to time, the fees and charges may be changed, and we will notify you as required by applicable law.

Additionally, if you use an ATM not operated by us, you may be charged a fee(s) by the ATM operator and by any international, 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 fee(s), or surcharge(s), will be debited from your account if you elect to complete the transaction and/or continue with the balance inquiry.

You understand and agree that we and/or the ATM operator may charge you multiple fees for multiple transactions during the same ATM session (for example, fees for both a balance inquiry and a cash withdrawal).

5. Members Liability: You are responsible for all transactions you authorize using your EFT services under this Agreement. 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.

TELL US AT ONCE if you believe your card or access code has been lost or stolen, 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 a Visa transaction, you will have no liability for the transaction, unless you were fraudulent or negligent in the handling of your account or card.

For all other EFT transactions involving your card or access code, including if you were negligent in the handling of your account or card, 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 \$50.00 if someone used your card or access code 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 or access code and we can prove we could have stopped someone from using your card or access code without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make including those made by card, access code or other means, TELL US AT ONCE. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money lost after the 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 or access code has been lost or stolen or that someone has transferred or may transfer money from your accounts without your permission, call 800.356.6660 or write to:

Educational Systems Federal Credit Union
PO Box 179
Greenbelt, MD 20768-0179
Fax: 301.985.4668

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.

c. Direct Deposit: If you have arranged to have a direct deposit made to your account at least once every 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 800.356.6660. 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; or
- If you give us your written permission.

8. Business Days: Our business days are Monday through Friday, excluding holidays.

9. 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, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds 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, online/PC, or mobile banking 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.

10. Notices: All notices from us will be effective when we have mailed them or delivered them to the appropriate address in the Credit Union's records. Written notice you provide in accordance with your responsibility to report unauthorized transactions to us will be considered given at the time you mail the notice or deliver it for transmission to us by any other usual means. All other 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 EFT services are offered and will provide notice to you in accordance with applicable law. Use of EFT services is subject to existing regulations governing your 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 available public telephone.

11. Billing Errors: In case of errors or questions about electronic fund transfers from your savings and checking 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 60 days after we sent the FIRST statement on which the problem appears. Call us at:

800.356.6660

or write to:

Educational Systems Federal Credit Union
PO Box 179
Greenbelt, MD 20768-0179
Fax: 301.985.4668

- 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 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 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 occurring within 30 days after you make the first deposit to your account, we may take up to 20 business days instead of ten (10) business days to investigate the error.

** If you give notice of an error occurring within 30 days after you make the first deposit to your account, notice of an error involving a point-of-sale (POS) transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we may take up to 90 days instead of 45 days to investigate the error. Additionally, for errors occurring within 30 days after you make the first deposit to your account, we may take up to 20 business days instead of ten (10) business days to credit your account.

NOTE: If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will 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 credit as described above.

12. 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.

13. 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 Maryland, 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.

14. 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 postjudgment collection actions.



Privacy Notice

Facts	What does Educational Systems Federal Credit Union do with your personal information?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security Number ■ Account Transactions ■ Income ■ Credit History ■ Employment Information ■ Assets <p>When you are no longer our member, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons Educational Systems FCU chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Educational Systems FCU share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with our affiliates and other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We do not share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We do not share
For non-affiliates to market to you	No	We do not share

To opt-out of receiving marketing materials call us at 301.779.8500, visit a branch or mail your request along with your full name, account number, address and phone number to:

Educational Systems FCU
Attention: Marketing
PO Box 179
Greenbelt, MD 20768-0179

Please note that there may be a delay between the time we receive your request and the time your information is removed from future marketing distributions.

For questions, call 301.779.8500.

Fee Schedule

Fees are subject to change without prior notice. Effective February 1, 2023.

Accounts

Stop Payment	\$35/item ^{*1}
Returned Check/Overdraft/ACH Debit	\$35/item
Courtesy Pay	\$35/item ²
Returned Deposited Items.....	\$35/item
Premium Checking	No monthly fee
Dividend Checking	\$10/month ^{*3}
Standard Checking.....	\$12.95/month ⁴
Business Checking (balance below \$2,500).....	\$15/month
Money Market (check withdrawals > three).....	\$35/item
Premium Summer Pay Early Withdrawal.....	\$35/instance ⁵
Low Balance Relationship	\$5/month ⁶
Inactive Account.....	\$5/month
No account activity for a 12 month period	
Escheatment Processing Fee.....	\$100
Account Garnishments/Attachments.....	\$100
Legal Review	\$100*
Address Maintenance	\$5
Per mail returned due to an incorrect address	
Account Closing	\$10
Within six months of opening	

ATM and Debit Cards

Lost Card Replacement.....	\$10
Non-Educational Systems FCU ATM Transactions	
With ATM Card	\$2 each*
With a Debit Card > Five Transactions	\$2 each*

Other Services

Account Reconciliation/Research (one hour minimum).....	\$35/hour
Document/History Printouts.....	\$7/item/month
Domestic Wire Transfer	\$30 each*
Cashier's Check	\$5 each*
Mortgage Subordination Fee.....	\$300
Notary Service (per seal).....	\$4*
Signature Guarantee (Medallion Stamp)	\$5*
Non-Member Check Cashing Fee	\$7
Visa® Gift Card	\$3.95/card*

* Waived for Star Members.

¹ Waived for stop payments made through Digital Banking.

² Limited to a maximum of four per day per checking account. No charge for additional transactions on the same day up to the approved Courtesy Pay limit.

³ Waived with a \$500 minimum daily balance.

⁴ Waived with a \$1,500 minimum daily balance.

⁵ Withdrawals are restricted to the summer disbursements in July and August. Fee applied to each early withdrawal made outside of this time period.

⁶ Waived for members with account relationships with combined balances of \$500 or more, eServices, Direct Deposit or Payroll deduction, new accounts less than 90 days, active loans, Career Graduates, or members under the age of 22.

Rate and Truth in Savings Account Disclosure

The rates and terms applicable to your Savings, Checking and Certificate Accounts at Educational Systems Federal Credit Union are provided in this Rate and Truth in Savings Disclosure. All rates are subject to change without prior notice.

I. General Disclosures Applies to Savings, Checking and Certificate Accounts

1. Rate Information: The Annual Percentage Yield (APY) is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and annual compounding frequency. The Dividend Rate and APY may be changed as determined by Educational Systems Federal Credit Union Board of Directors. For Certificates, the rate will be fixed throughout the term of the Certificate. No dividend will be paid for that period where the Average Daily Balance (ADB) falls below the required minimum balance for the specified account.

2. Nature of Dividends: Dividends are paid from current income and available earnings after required transfers to reserves. The dividend rates and APYs are the rates and yields that the Credit Union anticipates paying for a specific dividend period.

3. Dividend Compounding and Crediting: The Rate Disclosure lists the compounding and crediting of dividends applicable to each account for a specific dividend period. The Dividend Period is the length of time at the end of which an account earns dividend credit. The Dividend Period begins on the first calendar day of the quarter/month and ends on the last calendar day of the quarter/month.

4. Accrual of Dividends: For all accounts, dividends will begin to accrue on cash and noncash deposits on the business day the deposit is made. If an account is closed before accrued dividend is credited, accrued dividend will not be paid.

5. Balance Information: The minimum balance requirements for each account are listed in their disclosure. Dividends are calculated by the Average Daily Balance method which applies a periodic rate to the ADB in the account for the period. The ADB for an account is determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period.

6. eServices: As a Digital Banking user, you have the option to access your Credit Union statement and notices online. If you choose both of these options, you will no longer receive your statement and most other notices by mail. In addition, you may elect to access your credit card statement online. We will alert you of the availability of your eStatement and email notices by sending you an electronic notice at the email address on your account. You will have the ability to change your email address in Digital Banking. You will retrieve your own statement by accessing Digital Banking with your personal password.

7. Fees: Applicable fees for Savings and Checking Accounts are included on the fee schedule.

II. Savings and Checking Accounts

	Savings	Special Purpose Club	Dividend Checking	Money Market and IRA			Traditional IRA, Roth IRA and Coverdell Education Savings Account
				Tier One	Tier Two	Tier Three	
Dividends							
Annual Percentage Yield	0.01%	0.01%	0.05%	1.24%	1.39%	1.79%	0.01%
Dividend Rate	0.01%	0.01%	0.05%	1.25%	1.40%	1.80%	0.01%
Effective Date	07-31-23	07-31-23	07-31-23	07-31-23	07-31-23	07-31-23	07-31-23
Dividends Compounded	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly	Quarterly
Dividends Credited	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly	Quarterly
Dividends Period	Quarterly	Quarterly	Monthly	Monthly	Monthly	Monthly	Quarterly
Balance Requirements							
Minimum Opening Balance	\$5.00	None	\$500.00	\$2,500.00	\$20,000.00	\$100,000.00	\$5.00
Minimum Bal. to Avoid Service Fee	None	None	\$500.00	None	None	None	None
Minimum Bal. to Earn Stated APY	\$5.00	None	\$500.00	\$2,500.00	\$20,000.00	\$100,000.00	None
Balance Method	ADB	ADB	ADB	ADB	ADB	ADB	ADB
Account Transaction Limitations	See Below	See Below	See Below	See Below	See Below	See Below	See Below

ADB = Average Daily Balance

Account Limitations: We reserve the right to limit cash withdrawals if necessary. For a Special Purpose Club Account, the entire balance will be transferred to the Savings Account the first week of the month designated by the member and the account will remain open. If any of the account balance is withdrawn at any time during the year, the account will be closed, and the full balance will be transferred to the Savings Account. IRA Accounts, Roth IRA and Coverdell Education Savings Account are subject to normal IRA restrictions.

III. Premium Summer Pay

	Tier One	Tier Two
Dividends		
Annual Percentage Yield	2.00%	0.01%
Dividend Rate	1.98%	0.01%
Effective Date	07-31-23	07-31-23
Dividends Compounded	Monthly	Monthly
Dividends Credited	Monthly	Monthly
Dividends Period	Monthly	Monthly
Balance Requirements		
Minimum Opening Balance	None	None
Minimum Balance to Avoid Service Fee	None	None
Minimum Balance to Earn Stated APY	None ¹	\$20,000.00 ¹
Balance Method	ADB ²	ADB ²
Account Transaction Limitations	See Below ³	See Below ³

¹ The Tier One Annual Percentage Yield (APY) applies to average daily balances up to \$20,000. The Tier Two APY applies to Average Daily Balances above \$20,000. Rates are subject to change without notice. Fees could reduce earnings.

² ADB = Average Daily Balance

³ The Premium Summer Pay account is only available for Direct Deposits received from qualifying school systems and community colleges. Automatic distributions can be made to an Educational Systems FCU Savings or Checking Account, or to another financial institution in four equal proportions on the first and third Friday of July and August. Withdrawals are restricted to summer disbursements in July and August. A fee will be assessed for each early withdrawal made outside of this time period. Please refer to our fee schedule for details.

IV. Certificates

		Certificates				IRA Certificates			
Minimum Opening Deposit: Dividends Compounded: Dividends Credited: Dividends Period:		\$500 Quarterly Quarterly Quarterly				\$500 Quarterly Quarterly Quarterly			
Term	Effective Date	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %
		Fixed				Fixed			
3 Month	07-31-23	3.94%	4.00%	3.99%	4.05%	3.94%	4.00%	3.99%	4.05%
6 Month	07-31-23	4.14%	4.20%	4.18%	4.25%	4.14%	4.20%	4.18%	4.25%
12 Month	07-31-23	4.18%	4.25%	4.23%	4.30%	4.18%	4.25%	4.23%	4.30%
24 Month	07-31-23	4.09%	4.15%	4.14%	4.20%	4.09%	4.15%	4.14%	4.20%
36 Month	07-31-23	4.04%	4.10%	4.09%	4.15%	4.04%	4.10%	4.09%	4.15%
48 Month	07-31-23	3.75%	3.80%	3.80%	3.85%	3.75%	3.80%	3.80%	3.85%
60 Month	07-31-23	3.80%	3.85%	3.84%	3.90%	3.80%	3.85%	3.84%	3.90%
Additional Deposits Withdrawals Renewal		Not Allowed At Maturity Automatically Renewed				As Specified As Specified Automatically Renewed			

APY = Annual Percentage Yield

Star Members: Star Members are eligible to receive a 0.05% APY higher than Regular and IRA Certificates of the same type and term. A Star Member is a member who has a total of \$25,000 in combined deposits and/or loans. Business and Association accounts are not eligible for the Star Member Program.

1. Transaction Limitations: For Certificates, deposits are not permitted before maturity. Withdrawal of Principal from Certificates before maturity is not permitted without an early withdrawal penalty. Dividends may be withdrawn at any time without a penalty. If the account is permitted to fall below the minimum balance required, the account will not earn dividends at the close of the dividend period. Dividends are paid from current income and available earnings after required transfers to reserves. The Dividend Rates and APYs are the rates and yields that the Credit Union anticipates paying for a specific dividend period.

2. Dividends: Dividends are compounded and paid quarterly and are automatically deposited to the Certificate unless you select another payment option. You may choose to have the dividends paid to you by check or to another account each quarter. The APY is based on an assumption that dividends will remain in the account until maturity. If dividends are withdrawn during the term of the Certificate, the APY and earnings will be reduced.

3. Maturity: Accounts will mature within the term or at the date specified on the Certificate or renewal notice.

4. Grace Period: Educational Systems FCU offers a seven (7) calendar day grace period on all Certificates from the date of maturity. During this period, changes can be made to the Certificate without penalty. This would include but, not be limited to closing the account, adding additional funds, and/or changing the term. Rollovers (renewals) do not require any action from the member during the grace period. After the seven (7) calendar day grace period, early withdrawal penalties will apply to all Certificates.

5. Early Withdrawal Penalty: If the Certificate is redeemed prior to the maturity date a penalty will apply. The penalty is a forfeiture of an amount equal to 30, 90 or 180 days of dividend, whether earned or not. This penalty may result in invasion of principal and is applicable to all Certificates, respectively.

The penalty is based on the term:

- Three-month term is a 30 day penalty
- Six-month term is a 90 day penalty
- Terms greater than six months is a 180 day penalty

Withdrawals made to comply with IRA Required Minimum Distributions (RMD) are permitted without penalty as long as the transfers are set up to be made automatically. There is no penalty for withdrawals as a result of the death of any owner.

6. Renewal Policy: Certificates will automatically renew for the term disclosed when it was opened, if the Certificate term is still available, at the current rate available at the time of renewal, unless instructed to do otherwise by the member on or before the maturity date. Certificate dividends will be paid to the principal balance quarterly and at maturity. Each renewal term will be the same as the term disclosed when the Certificate was opened beginning on the maturity date, if the Certificate term is still available. Dividends will be calculated on the same basis as the term disclosed when the Certificate was opened.

V. Jumbo Certificates

		Certificates				IRA Certificates			
Minimum Opening Deposit:		\$100,000				\$100,000			
Dividends Compounded:		Quarterly				Quarterly			
Dividends Credited:		Quarterly				Quarterly			
Dividends Period:		Quarterly				Quarterly			
Term	Effective Date	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %	Dividend Rate %	Annual Percentage Yield %	Star Member Dividend Rate %	Star Member Annual Percentage Yield %
		Fixed				Fixed			
3 Month	07-31-23	3.99%	4.05%	4.04%	4.10%	3.99%	4.05%	4.04%	4.10%
6 Month	07-31-23	4.18%	4.25%	4.23%	4.30%	4.18%	4.25%	4.23%	4.30%
12 Month	07-31-23	4.23%	4.30%	4.28%	4.35%	4.23%	4.30%	4.28%	4.35%
24 Month	07-31-23	4.14%	4.20%	4.18%	4.25%	4.14%	4.20%	4.18%	4.25%
36 Month	07-31-23	4.09%	4.15%	4.14%	4.20%	4.09%	4.15%	4.14%	4.20%
48 Month	07-31-23	3.80%	3.85%	3.84%	3.90%	3.80%	3.85%	3.84%	3.90%
60 Month	07-31-23	3.84%	3.90%	3.89%	3.95%	3.84%	3.90%	3.89%	3.95%
Additional Deposits Withdrawals Renewal		Not Allowed At Maturity Automatically Renewed				As Specified As Specified Automatically Renewed			

APY = Annual Percentage Yield

Jumbo Certificates: A Jumbo Certificate can be opened with a minimum balance of \$100,000.

Star Members: Star Members are eligible to receive a 0.05% APY higher than Regular and IRA Certificates of the same type and term. A Star Member is a member who has a total of \$25,000 in combined deposits and/or loans. Business and Association accounts are not eligible for the Star Member Program.

1. Transaction Limitations: For Certificates, deposits are not permitted before maturity. Withdrawal of Principal from Certificates before maturity is not permitted without an early withdrawal penalty. Dividends may be withdrawn at any time without a penalty. If the account is permitted to fall below the minimum balance required, the account will not earn dividends at the close of the dividend period. Dividends are paid from current income and available earnings after required transfers to reserves. The Dividend Rates and APYs are the rates and yields that the Credit Union anticipates paying for a specific dividend period.

2. Dividends: Dividends are compounded and paid quarterly and are automatically deposited to the Certificate unless you select another payment option. You may choose to have the dividends paid to you by check or to another account each quarter. The APY is based on an assumption that dividends will remain in the account until maturity. If dividends are withdrawn during the term of the Certificate, the APY and earnings will be reduced.

3. Maturity: Accounts will mature within the term or at the date specified on the Certificate or renewal notice.

4. Grace Period: Educational Systems FCU offers a seven (7) calendar day grace period on all Certificates from the date of maturity. During this period, changes can be made to the Certificate without penalty. This would include but, not be limited to closing the account, adding additional funds, and/or changing the term. Rollovers (renewals) do not require any action from the member during the grace period. After the seven (7) calendar day grace period, early withdrawal penalties will apply to all Certificates.

5. Early Withdrawal Penalty: If the Certificate is redeemed prior to the maturity date a penalty will apply. The penalty is a forfeiture of an amount equal to 30, 90 or 180 days of dividend, whether earned or not. This penalty may result in invasion of principal and is applicable to all Certificates, respectively.

The penalty is based on the term:

- Three-month term is a 30 day penalty
- Six-month term is a 90 day penalty
- Terms greater than six months is a 180 day penalty

Withdrawals made to comply with IRA Required Minimum Distributions (RMD) are permitted without penalty as long as the transfers are set up to be made automatically. There is no penalty for withdrawals as a result of the death of any owner.

6. Renewal Policy: Certificates will automatically renew for the term disclosed when it was opened, if the Certificate term is still available, at the current rate available at the time of renewal, unless instructed to do otherwise by the member on or before the maturity date. Certificate dividends will be paid to the principal balance quarterly and at maturity. Each renewal term will be the same as the term disclosed when the Certificate was opened beginning on the maturity date, if the Certificate term is still available. Dividends will be calculated on the same basis as the term disclosed when the Certificate was opened.



Overdraft Coverage Options: Overdraft Privilege Protection, Line or Credit and Courtesy Pay

We understand that unexpected overdrafts can happen from time to time. That's why we offer three overdraft options. You can select which options work best for you.

Service	Cost/Limitations
Overdraft Privilege Protection: Link your checking account to your savings account	No fee per transfer, limited to six transfers per month
Line of Credit	Finance charges, subject to credit approval
Courtesy Pay	\$35 Courtesy Pay fee per overdraft

- Overdraft Privilege Protection and a Line of Credit apply to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account or line of credit. Please note that lines of credit are subject to credit approval, finance charges and fees.
- Courtesy Pay allows you to overdraw your account up to the disclosed limit for a fee in order to pay a transaction. Even if you have overdraft protection, Courtesy Pay is still available as secondary coverage if the other protection source is exhausted.

We offer Standard Courtesy Pay and Premium Courtesy Pay options. Premium Courtesy Pay provides coverage for ATM withdrawals and debit card transactions. The chart below provides an overview of our two Courtesy Pay options.

Transactions Covered with Courtesy Pay	Standard Courtesy Pay (No action required)	Premium Courtesy Pay (Your consent is required)*
Checks	X	X
ACH automatic debits	X	X
Recurring debit card payments	X	X
Bill Pay items	X	X
Teller window transactions	X	X
ATM transactions		X*
Debit card transactions		X*

* If you choose Premium Courtesy Pay on your consumer account, ATM withdrawals and everyday debit card transactions will be included with the transactions listed under Standard Courtesy Pay. If you already have Premium Courtesy Pay, it is not necessary to request it again. Existing business accounts automatically have Premium Courtesy Pay.

If you would like to select Premium Courtesy Pay for future transactions, call us at 301.779.8500, complete the online consent form found at esfcu.org or visit any branch.

You can discontinue the Courtesy Pay service in its entirety by contacting us at 301.779.8500, sending us an email at online@esfcu.org or visiting any branch.

Important Information

- A link to another account or a line of credit is a less expensive option than an overdraft. A single larger overdraft will result in just one fee, as opposed to multiple smaller overdrafts. Good account management is the best way to avoid overdrafts. We offer Digital Banking, telephone banking and email and text alerts to help members keep track of their balance. For additional financial education resources, please visit mymoney.gov.
- The \$35 Courtesy Pay fee is the same fee amount that is charged if a check is returned as unpaid. If multiple items overdraw your account on the same day, each item will be assessed a Courtesy Pay fee or Return Item fee of \$35. Your account may become overdrawn in excess of the Courtesy Pay limit amount as a result of a fee.
- There is a limit of four (4) Courtesy Pay fees (\$140) per day.
- This describes the posting order for purposes of determining overdrafts. We generally post items in the following order: 1) ACH credits, 2) ACH debits (posted in order they are in the incoming file from Federal Reserve), 3) checks (post largest amount to least amount); however, exceptions may occur. ATM and debit card transactions are posted as they are received. Holds on funds (described below) and the order in which transactions are posted may impact the total amount of Courtesy Pay fees or return items assessed.
- Although under payment system rules, Educational Systems FCU may be obligated to pay some unauthorized debit card transactions, Educational Systems FCU will not authorize debit card or ATM transactions unless there are available funds (including Overdraft Coverage Options) to cover the transactions and any fee(s).
- Giving us your consent to use Courtesy Pay to pay debit card and ATM overdrafts may result in you incurring Courtesy Pay fees for transactions that we would otherwise be required to pay without assessing a Courtesy Pay fee. However, this would allow us to authorize transactions up to the amount of your Courtesy Pay limit and may also help you avoid overdrafts in excess of your available funds that could result in restriction of your debit card.
- Educational Systems FCU authorizes and pays transactions using the available balance in your account. Educational Systems FCU may place a hold on deposited funds in accordance with our Deposit Account Agreement and Disclosure, which will reduce the amount in your available balance. The available balance for checks, ACH items, and recurring debit card transactions is comprised of the ledger balance, less any holds on deposited funds and any debit card holds, plus the amount of the Courtesy Pay limit and any available overdraft protection. The available balance for ATM and everyday debit card transactions on accounts with Standard Courtesy Pay is the ledger balance, less any holds on deposited funds and any debit card holds, plus any available overdraft protection, but does NOT include the Courtesy Pay Limit. For accounts with Premium Courtesy Pay, the Courtesy Pay Limit is included in the available balance for authorizing ATM and everyday debit card transactions.
- Please be aware that the Courtesy Pay amount is not included in your available balance provided through Digital Banking or Engagement Client's ATMs.
- Educational Systems FCU will place a hold on your account for any authorized debit card transaction until the transaction settles (usually within two business days) or as permitted by payment system rules. In some cases, the hold may exceed the amount of the transaction. When the hold ends the funds will be added to the available balance in your account. If your account is overdrawn after the held funds are added to the available balance and the transaction is posted to the available balance, a Courtesy Pay fee may be assessed.
- Except as described in this letter, Educational Systems FCU will not pay items if your account does not contain available funds (including the Courtesy Pay limit) to cover the item(s) and the amount of any fee(s).
- If your debit card is restricted, you will be unable to use your debit card for purchases or to access your account at the ATM, and if you use your debit card for recurring payments, e.g., utilities, you are responsible to make other arrangements for your recurring debit payment(s).
- Courtesy Pay is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- Courtesy Pay may be discontinued if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 32 days.
- Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Membership Account Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.