

KINECTA FEDERAL CREDIT UNION

**IMPORTANT: RETAIN FOR
YOUR RECORDS**

**LIMITED FEDERAL DISCLOSURE STATEMENT FOR
CHANGE IN TERMS OF
AGREEMENTS AND DISCLOSURES FOR SHARE ACCOUNTS, TRUTH IN
SAVINGS, AND ELECTRONIC SERVICES AND
CONSUMER SCHEDULE OF FEES AND CHARGES**

This limited disclosure is given in conjunction with a change in the terms of Kinecta Federal Credit Union's (the "Credit Union's") Agreements and Disclosures for Share Accounts, Truth in Savings, and Electronic Services (the "Disclosure") and the Consumer Schedule of Fees and Charges Effective July 1, 2020 ("Fee Schedule").

**BRIEF SUMMARY OF IMPORTANT CHANGES IN YOUR DISCLOSURE
AND FEE SCHEDULE**

The following is a summary of changes that are being made to the terms of your Disclosure and Fee Schedule.

Except for the updated dispute resolution through arbitration provision, the Disclosure changes will take effect on August 1, 2020 (the "Effective Date"). The arbitration provision will take effect on the 61st day after we provide you this limited disclosure unless you opt-out during such 60-day period as further described in that provision.

The changes being made to the Disclosure include but are not limited to changes relating to (i) dispute resolution through arbitration; (ii) overdrawn account terms, overdraft payments, Select Accept Service, Courtesy Pay fees, and insufficient funds transactions; (iii) restrictions to certain youth accounts; (iv) the par value maintained by each member; (v) joint ownership rights; (vi) funds availability and deposit account changes effective July 1, 2020; (vii) non-proprietary ATM use; and (viii) foreign transactions and charges. You should review this information carefully.

Please note that the arbitration provision may affect your legal rights and the other revised terms similarly affect your account transactions. For more detailed information, please refer to the "Description of Important Changes in Your Disclosure" below. With the exception of the arbitration RIGHT TO OPT-OUT, please note that you generally do not have the right to reject these changes, unless you choose to close your account(s) with the Credit Union.

This limited disclosure is provided by the Credit Union in compliance with the Federal Truth-in-Savings Act. This is not a complete Disclosure and is limited to the change in terms set forth below. If you would like a copy of the complete, revised Disclosure, you may visit your nearest branch, print a copy from the *Disclosure* section located on www.kinecta.org, or contact the Credit Union at:

Kinecta Federal Credit Union

1440 Rosecrans Ave.
Manhattan Beach, CA 90266

Certain Disclosure and regulatory changes required revisions to our Fee Schedule. For your reference, a revised Fee Schedule is attached to this Change in Terms Notice. You generally do not have the right to reject these Fee Schedule changes, unless you choose to close your account(s) with the Credit Union. If you have any questions regarding the Fee Schedule, please contact the Credit Union directly.

DESCRIPTION OF IMPORTANT CHANGES IN YOUR DISCLOSURE

Beginning on the Effective Date, the following changes will be made to your Disclosure:

1. *Part I titled “Binding Arbitration Consent and Agreement” is deleted and replaced with the following:*

Arbitration and Waiver of Class Action

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

1. **Selection of Arbitrator.** The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules, and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum for the resolution of the Claims.
2. **Effective Date.** This Arbitration Agreement is effective upon the 61st day after we provide it to you (“Effective Date”), unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below.
3. **Claims Arising Prior to Effective Date. THIS ARBITRATION AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS, OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE.** If a Claim is filed or initiated prior to the Effective Date, this Arbitration Agreement will not apply to such Claim.
4. **Arbitration Proceedings.** The arbitration shall be conducted within fifty (50) miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted in court can be asserted through arbitration. The arbitrator shall be entitled to award the same remedies that a court can award, including public injunctive relief under the California Unfair Competition Law and Consumer Legal Remedies Act. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator’s award can be entered as a judgment in court. Except as provided in applicable statutes, the arbitrator’s award is not subject to review by the court and it cannot be appealed. The Credit Union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorney’s fees, unless you prevail on your Claim in the arbitration, in which case, we will pay your attorney’s fees. However, if the Credit Union prevails, then you will not be required to pay our attorneys’ fees and cost.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

5. **Class Action Waiver.** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.

6. **Severability.** In the event that the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions will remain enforceable.
7. **Survival.** This Arbitration Agreement will survive termination of the Agreement.
8. **Right of Opt-Out.** You have the right to opt-out of this Arbitration Agreement, provided that you notify us of your intent to opt-out within sixty (60) days after it is provided to you. Your opt-out is only effective if you notify us in writing at KINECTA FEDERAL CREDIT UNION, P.O. Box 10003, Manhattan Beach, CA 90266 within such sixty (60) day time period. If you fail to opt-out within this sixty (60) day time period, you will be deemed to have consented to the resolution of your Claims through binding arbitration. In the event you opt-out, it shall not affect other terms and conditions of your Agreement or your relationship with the Credit Union.
9. FOR MORE DETAILS or if you have questions, you may call us at (800) 854-9846 or visit a branch. If you have questions about AAA procedures, you should check AAA's website, www.adr.org, OR call AAA at (800) 778-7879.

2. *Part II, Section 1, Subsection 2 is deleted and replaced with the following:*

Section 1. General Terms and Conditions Applicable to All Accounts

... 2. In order to become a member, you must deposit a minimum of \$5.00 in a Regular Share Account, which may be an individual or joint account. The par value of a share in this Credit Union is \$5.00. Each member must maintain such par value. If you fail to complete the purchase of one (1) share within six (6) months of your admission to membership, or within six (6) months from the increase in the par value in shares, or if you reduce your Regular Share Account balance below the par value of one (1) share and do not increase the balance to at least the par value of one (1) share within six (6) months of the reduction, you may be terminated from membership at the end of a dividend period.

3. *Part II, Section 2, Subsection 2 is deleted and replaced with the following:*

Section 2. General Terms Regarding Account Ownership, Agents, and Beneficiary Designation for All Accounts

... 2. We may rely solely on our records to determine the form of ownership of your account. We may presume that any person named in addition to you in our records for your account owns the funds in your account with you as a joint owner, unless our records indicate that the person has some other relationship to the account. Ownership for all

accounts will be established and determined by the most recent Membership Application, signature card, or other document(s) evidencing such account(s). Any joint owners, authorized agents, or other persons authorized to access any account under an account number can access any information about any other account under that account number, and by opening a new account under any existing account number evidences your consent to such access and transactions by such joint owners or agents. A different form of ownership may be established by executing a new Membership Application or signature card and a new account number will be assigned.

4. *Part II, Section 2, Subsection 6 is deleted and replaced with the following:*

Section 2. General Terms Regarding Account Ownership, Agents, and Beneficiary Designation for All Accounts

... 6. **Joint Account.** A joint account is an account owned by two or more persons. All joint owners agree with each other and with us that all sums now paid in or hereafter paid in by any one or all account owner(s), including all dividends thereon, if any, are and will be owned by all account owner(s) jointly and equally undivided regardless of their net contributions with a right of survivorship and will be subject to withdrawal or receipt by any one of the account owner(s) or the survivor(s) of any of the account owner(s). A right of survivorship arising from the express terms of a joint account cannot be changed by a will. We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions. Being a joint owner of an account at the Credit Union will automatically cause all joint owners to be members provided that each member qualifies and maintains a par value share as provided herein. Each such member will have membership rights under this Agreement. Joint owners who use an account or otherwise request or use services with regard to an account agree to the terms, responsibilities and accompanying liabilities of this Agreement.

If they do not qualify for membership, joint owners may be non-members. However, any non-member joint owner who uses an account, requests or uses a service and/or signs a Membership Application, agrees to the terms, responsibilities and accompanying liabilities of this Agreement.

Unless otherwise agreed in writing between you and us, each joint owner, without the consent of any other joint owner, may, and hereby is authorized by every other joint owner, to conduct any transaction permitted under this Agreement, including without limitation: (1) to withdraw all or any part of the account funds; (2) to pledge the account funds as collateral to us for any obligation, whether that of one or more joint owners; (3) to endorse and deposit checks and other items payable to any joint owner; (4) to give stop payment

orders on any check or item, whether drawn by that joint owner, or not; (5) to consent to or revoke consent to payment of service charges on overdrafts that result from ATM transactions or one-time debit card transactions under the Courtesy Pay Select Accept Service; and (6) to close the account, with the disbursement of account proceeds as instructed by the joint owner. While any owner may change, add or close a joint account and/or a service acting alone, we may require all joint owners to consent in writing to the addition or removal of any owner to or from the account. All owners agree that we have no duty to notify the owners of the account of any transaction, change, addition or closure of an account or service by any owner acting alone. All communications regarding an account may be made only to one joint owner except where required by law.

All account owners, jointly and severally, are liable for all transactions, changes, additions or closure of an account or service, and for any charges, fees, losses or liabilities incurred for any transaction, change, addition or closure of an account or service regardless of which owner conducted or benefited from the transaction, change, addition or closure. If any owner owes us money for any reason, we may enforce our right of setoff against all funds in any account on which that person is an owner, regardless of which owner deposited the funds in the account.

5. *Part II, Section 2, Subsection 15(d) is deleted and replaced with the following:*

Section 2. General Terms Regarding Account Ownership, Agents, and Beneficiary Designation for All Accounts

... 15. **Terms and Conditions Applicable to All Youth Accounts.**

... d. A person who is eighteen (18) years of age or older is required to be a joint account owner on Youth checking accounts. However, Youth share savings accounts and other eligible accounts do not require a joint account owner over the age of eighteen (18) years old unless the minor is under the age of fourteen (14) years old.

6. *Part II, Section 5, Subsection 3 is deleted and replaced with the following:*

Section 5. Terms and Conditions Applicable to Checking Accounts

... 3. If you are under the age of eighteen (18) years old and we allow you to open a checking account, your parent or legal guardian will have to be a joint owner of your account. A minor must still be at least thirteen (13) years of age to open a checking account at the Credit Union.

7. *Part II, Section 7, Subsection 10 is deleted and replaced with the following:*

Section 7. Terms and Conditions Applicable to Certificates

...10. **Notice.** As a courtesy we may, but are not required to, send you a written maturity notice at least thirty (30) days in advance of the Maturity Date of your Share Certificate

8. *Part II, Section 7, Subsection 22 is revised with the following:*

Section 7. Terms and Conditions Applicable to Certificates

... 22. Youth Club Certificate Accounts

Accounts are only available to members who are under the age of eighteen (18). A minor must be at least fourteen (14) years of age to open a Youth Club Certificate Account without a joint account owner who is over the age of eighteen (18). Youth Club Certificate Accounts are subject to a ninety (90) day minimum and a four-(4) year maximum term. The minimum qualifying deposit for such an account is disclosed on the *Dividend Rate Sheet*.

9. *A new section, titled “Liquid Certificates” has been added in Part II, Section 7, Subsection 15, which reads as follows:*

Section 7: Terms and Conditions Applicable to Certificates

... 15. Liquid Certificates.

- a. Liquid Certificates have a twelve (12) month term
 - b. The minimum opening deposit requirements for Liquid Certificates are disclosed in the *Dividend Rate Sheet*
 - c. Additional deposits are permitted at any time prior to maturity
 - d. Liquid Certificates allow for penalty-free withdrawals of up to 50% of the start of day balance as of 12:00 AM on a daily basis. Withdrawals exceeding 50% of the start of day balance are subject to penalties. For account balances of \$1.00 or less, penalty-free withdrawals are not allowed.
10. *Part III, Sections 4 and 6 are revised to include new deposit amount limits identified below in bolded and underlined text and will be effective as of July 1, 2020:*

... 4. **Longer Delays May Apply:** In some cases, we will not make all of the funds that you deposit by check available to you on the first (1st) business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth (5th) business day after the day of your deposit. However, the first **\$225** of your deposits will be available on the first (1st) business day after the day of your deposit...

...In addition, funds you deposit by check may be delayed for a longer period under

the following circumstances:

- a. We believe a check you deposit will not be paid.
- b. You deposit checks totaling more than **\$5,525** on any one day.
- c. You redeposit a check that has been returned unpaid.
- d. You have overdrawn your account repeatedly in the last six (6) months.
- e. There is an emergency, such as failure of communications or computer equipment.

... 6. **Special Rules for New Accounts:** If you are a new member, the following special rules will apply during the first thirty (30) days your account is open.

- a. Funds from electronic direct deposits to your account will generally be available on the same business day we receive the deposit.
- b. Funds from deposits of cash, wire transfers, and the first **\$5,525** of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will generally be available on the first (1st) business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over **\$5,525** will be available on the eighth (8th) 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** will not be available until the second (2nd) business day after the day of your deposit.
- c. Funds from all other check deposits will be available on the eighth (8th) business day after the day of your deposit.

11. *Part IV, Section 2, Subsections 4-6 are deleted and replaced with the following:*

Section 2: Your Checking Account Balance

... 4. We use your available balance at the time a transaction posts to determine when your account is overdrawn. Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

... 5. Your available balance may not reflect all of your debit card transactions. We use your available balance at the time a transaction posts to determine when your account is overdrawn and whether fees will be assessed. For debit card transactions involving merchant authorization holds, we look at the available balance at the time a transaction posts to determine whether the transaction results in an overdraft and potential related fees. In making this determination, we check your available balance at two separate times—first, at the time a merchant authorization request is received, and second, when the transaction “settles” and posts to your account. If your available balance is insufficient to pay the preauthorization amount requested by a merchant and you have not opted into the Select Accept Service, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's

authorization request. If the transaction later “settles” and posts to your account at a time when the available balance is insufficient to pay the posted transaction without causing the account to have a negative balance (less than \$0), we will charge a Courtesy Pay Fee on that transaction even though the available balance was sufficient to cover it at the time the transaction was authorized. Your account is considered overdrawn when the available balance in your account is negative (less than \$0).

The following example illustrates how this works:

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

... 6. **YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE.** This is because your available balance may not reflect all your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account.

12. *Part IV, Section 3, Subsection 4 is deleted and replaced with the following:*

Section 3: How Transactions Are Posted to Your Account

... 4. Some items are received by us individually and others are received in batches at various times each business day. Items that we currently receive individually include ATM withdrawals, point-of-sale (POS) transactions, and teller transactions. These individual items are generally posted to your account as they are received by us each business day. Items that we currently receive in batches include checks drawn on your account presented by other financial institutions, “on us” checks, and ACH and debit card

transactions. If multiple checks are presented on any given day in a single batch, they are cleared in the order of receipt, regardless of the check number sequence. We generally post batched transactions as they are received throughout each business day (subject to certain exceptions). For non-check batched transactions we receive at the same time on a particular business day, we will generally post those non-check batched transactions from lowest dollar amount to highest dollar amount.

The order in which items are posted to your account will depend on a number of factors. For example, in connection with our item posting process, we reserve the right to: (i) establish different categories of items, (ii) establish a posting order for each category of item(s), (iii) establish different posting orders for items within each category, and (iv) change the timing of when items are posted during the day and whether they are posted individually or in batches. Except to the extent limited by applicable law, we have the right to change any of the factors described in (i), (ii), (iii) and (iv) listed above at any time without notice to you.

13. *A new section has been added in Part IV, Section 3, Subsection 5, which reads as follows:*

Section 3: How Transactions Are Posted to Your Account

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

14. *Part IV, Section 4, Subsection 1 is deleted and replaced with the following:*

Section 4: Payment of Overdrafts

Payment of Overdrafts.

1. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. If we do not authorize and pay an overdraft, then we decline or return the transaction unpaid. The Consumer Schedule of Fees and Charges (“Schedule of Fees and Charges”) for your account explains when we charge you fees for overdraft and for declined or returned items and the dollar amount of the fees. Please review your Schedule of Fees and Charges for your account carefully. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for our costs of collection. We may close, without notice, any account with excessive insufficient funds activity, and report the account to a consumer reporting agency.

15. *A new section, titled “NSF Transactions” has been added in Part IV, Section 4, Subsection 7, which reads as follows:*

Section 4: Payment of Overdrafts

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

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF Fee for each such resubmitted item each time that same transaction is returned unpaid.

16. *The following language in Part IV, Section 4, Subsection 8 (previously Section 7) is deleted to account for changes in the Fee Schedule:*

Section 4: Payment of Overdrafts

Optional Overdraft Protection Plans.

...Overdrafts paid by an advance on your Personal Line of Credit are subject to a per-item Automatic Overdraft Preauthorized Transfer Fee as disclosed in the Schedule of Fees and Charges.

17. *A new section has been added in Part IV, Section 4, Subsection 10, which reads as follows:*

Section 4: Payment of Overdrafts

... 10. If you do not have sufficient available credit on your Personal Line of Credit or the funds in your Savings Account are not sufficient to pay the overdraft on your checking account, then you understand that the overdraft may be paid by our Courtesy Pay Service or Select Accept Service, subject to the terms and conditions of the Courtesy Pay Service Section below, if you are eligible for the Courtesy Pay Service or Select Accept Service. If you are not eligible for the Courtesy Pay Service or Select Accept Service, then the item causing the overdraft will be returned or the transaction denied. If you decline to utilize any of the optional overdraft protection plans and you are not eligible for our Courtesy Pay Service or Select Accept Service, and there are insufficient funds in your checking account

to pay an item, your items will not be paid, they will be returned, and an NSF Fee will be charged for each item returned. Transfers will appear on your periodic statements for each applicable account.

18. *Part IV, Section 5, Subsection 2 is deleted and replaced with the following:*

Section 5: Courtesy Pay Service (including Select Accept)

... 2. **What Overdraft Transactions are Covered?** The Service is available only for the payment of checks, electronic transfers, preauthorized payments under our Bill Payer Service, recurring Debit Card transactions, and ACH drafts and debits. The Service is not available at all for ATM transactions. The Service is not available for one-time debit card transactions, unless you opt-in to the Select Accept service, as described in the next section below.

19. *Part IV, Section 5, Subsection 9 is deleted and replaced with the following:*

Section 5: Courtesy Pay Service (including Select Accept)

... 9. **Courtesy Pay Fees.** A Courtesy Pay Fee will be charged to your checking account, in accordance with our Schedule of Fees and Charges, for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through the Service. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through the Service and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under the Service, you are subject to an NSF Fee for each such item in accordance with our Schedule of Fees and Charges. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

20. *A new section has been added in Part V, Section 1, Subsection 17, which reads as follows:*

Section 1: General Disclosures Applicable to All Electronic Services

... 17. If you use a Non-Proprietary ATM for cash withdrawals, each withdrawal shall be considered a separate transaction subject to a fee, even if initiated during the same ATM banking session.

21. *Part V, Section 2, Subsection 13 is deleted and replaced with the following:*

Section 2: Additional Disclosures Applicable to ATM Cards and Check Cards

Foreign Transactions and Charges

... 13. Purchases and cash advances processed outside of the United States or in a foreign currency will be billed to your account in U.S. dollars. The conversion to U.S. dollars will be made in accordance with MasterCard® operating regulations for international transactions. In the event that an international transaction is converted to U.S. dollars, the exchange rate between the transaction currency and the billing currency used for processing international transactions will be: (1) a rate selected by your MasterCard from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate MasterCard itself receives; or (2) the government-mandated rate for the applicable central processing date. The processing date on which the exchange rate is applied may differ from the date you used your debit card. When a credit to the account does not fully offset a charge to the account due to changes in the rate, you are responsible for the difference (as discussed below).

The Credit Union has no control over the conversion rate. A separate MasterCard Issuer Cross Border Assessment of 0.8% and/or Currency Conversion Assessment of 0.2% for each foreign currency transaction applies depending on how the merchant processes the transaction. These fees are charged directly to the Credit Union, passed on to you, and will appear on your statement as an additional charge