



P.O. Box 2231
Aston, PA 19014-0231
877-5-SUNEAST
www.suneast.org

Depository Agreement and Disclosures

Table of Contents

| | |
|---|----------|
| General Account Terms and Conditions | 3 |
| Membership Requirements | 3 |
| Governing Law | 3 |
| Pledge/Statutory Lien | 3 |
| Legal Proceedings | 3 |
| Attorney Fees and Expenses | 3 |
| Changes to Agreement | 3 |
| Fees | 3 |
| Inactive Accounts | 4 |
| Termination of Account | 4 |
| Termination of Membership | 4 |
| Death of Account Owner | 4 |
| Severability | 4 |
| Information About You | 4 |
| Information You Provide | 4 |
| Credit Reports and Other Inquiries | 4 |
| Change of Address | 4 |
| Taxpayer Identification Numbers and Backup Withholding | 4 |
| Ownership of Accounts | 4 |
| Individual Accounts | 4 |
| Joint Accounts | 4 |
| a. Rights of Survivorship | 4 |
| b. Control of Joint Accounts | 4 |
| c. Joint Account Owner Liability | 5 |
| Minor Accounts | 5 |
| Trust Account Designations | 5 |
| Uniform Transfers/Gifts to Minors Account | 5 |
| Agency Designation on an Account | 5 |
| Business Accounts | 5 |
| Deposit Account Information | 5 |
| Share Insurance | 5 |
| Fees | 5 |
| Processing Transactions — Deposit and Cashed Items | 5 |
| Cashing Items or Accepting Items for Deposit | 5 |
| Endorsements | 6 |
| Restrictive Legends | 6 |
| Postdated and Statedated Drafts | 6 |
| Direct Deposits | 6 |
| Chargebacks | 6 |
| Stopping an item | 6 |

Table of Contents Continued

| | |
|---|-----------|
| Checks Presented for Payment In Person | 6 |
| Processing Transactions — Withdrawals | 6 |
| Notice of Withdrawals | 6 |
| Withdrawal Restrictions | 6 |
| Transaction Limitations (Regulation D) | 6 |
| Deposit Availability Policy (Regulation CC) | 7 |
| Availability Timeline for Deposits to Established Accounts | 7 |
| Check Cashing, Immediate Availability, and Holds on Other Funds | 7 |
| Longer Delays May Apply | 7 |
| Availability Timeline for Deposits to New Accounts | 7 |
| Sun East ATM Deposits | 8 |
| Non-SunEast ATM Deposits | 8 |
| Overdrafts - Standard Overdraft Practices | 8 |
| Non-Sufficient Funds | 8 |
| Standard Overdraft Practices | 8 |
| Overdraft Protection - Options | 8 |
| Courtesy Pay Privilege | 8 |
| Courtesy Pay Privilege Plus | 8 |
| Courtesy Pay Privilege/Plus Policy | 9 |
| What are the authorized limits for Courtesy Pay Privilege/Plus? | 9 |
| What fees will I be charged if Sun East pays my overdraft? | 9 |
| What if I want to Opt Out of Sun East's Courtesy Pay Privilege? | 9 |
| Order of Payments | 9 |
| Truth In Savings | 9 |
| General Information about Dividend-Bearing Accounts | 9 |
| Balance Computation Method | 9 |
| Nature of Dividends for Dividend-Bearing Accounts | 9 |
| Accrual of Dividends on Non-cash Deposits | 9 |
| Compounding and Crediting for Dividend-Bearing Accounts | 9 |
| Certificate Accounts | 9 |
| Rate Information | 9 |
| Fees and Charges | 9 |
| Transaction Limitations | 9 |
| Renewals | 9 |
| Dividend Payments | 9 |
| Early Withdrawals | 10 |
| Individual Retirement Accounts (IRAs) | 10 |
| IRA Contribution Limits | 10 |
| Checking Accounts - General Information | 10 |
| Electronic Debits | 10 |
| Printed Check Purchases | 10 |
| Overdraft Protection | 10 |
| Statements and Notices | 10 |
| Statements | 10 |
| Check Copies | 10 |
| Notices | 10 |
| Delivery of Statements and Notices | 10 |
| Examining Statements and Reporting Problems | 10 |

Sun East Federal Credit Union

Depository Agreement and Disclosures

This Depository Agreement and Disclosures, the applicable *Schedule of Fees and Charges*, the *Rate Schedule*, the *Account Schedule*, the *Privacy Notice*, the *Electronic Banking Services Agreement and Disclosure*, and the account opening documents for your account is the agreement between you and Sun East Federal Credit Union (the "Agreement") describing your and our rights and responsibilities concerning your account(s).

Terms. In this Agreement, the words "you," "your," and "yours" refer to the account holders and authorized signers of an account. The words "we," "us," "our," "Credit Union" and "Sun East" refers to Sun East Federal Credit Union. The word "account" means any one or more share or other accounts you have at the credit union.

By signing the Membership Application, opening an account or maintaining an account, each of you, jointly and severally agree to the terms and conditions in this Agreement, *Schedule of Fees and Charges*, the *Rate Schedule*, the *Account Schedule*, the *Privacy Notice*, the *Electronic Banking Services Agreement and Disclosure*, the account opening documents for your account, Sun East's Bylaws and policies and any amendments to these documents from time to time which collectively govern your membership and accounts.

General Account Terms and Conditions

Membership Requirements. To join Sun East, you must purchase and maintain at least one (1) share to establish membership in Sun East. Membership is required to access all Sun East accounts and services. Sun East is hereby granted and reserves the right to investigate account history through an account verification service and refuse, limit, suspend or revoke any and all credit union services other than your share account, in the event that, in Sun East's sole judgment, an adverse credit or account history is discovered or for any other prudent business judgment reasons. We reserve the right to suspend services to a member who is not in good standing, which include, but are not limited to, members who: (a) are delinquent on any loan with Sun East; (b) have caused any financial loss to Sun East; (c) have any unresolved Non-Sufficient Fund (NSF) checks outstanding, whether in regard to a deposit or otherwise; (d) have not paid Sun East any fees or costs owing to it; (e) have a negative balance in any account; (f) have committed fraud; or (f) have filed bankruptcy.

Governing Law. This Agreement is governed by Sun East Federal Credit Union's bylaws, and to the extent applicable federal laws and regulations, the laws and regulations of the Commonwealth of Pennsylvania, including applicable principles of contract law, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in Delaware County, Pennsylvania.

Pledge/Statutory Lien. Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn, unless you are in default. If you are in default on a financial obligation to us, federal law gives us the right to apply

the balance of shares and dividends in your account(s) at the time of default to satisfy that obligation. Once you are in default, we may exercise this right without further notice. **YOUR PLEDGE AND OUR STATUTORY LIEN RIGHTS WILL ALLOW US TO APPLY THE FUNDS IN YOUR ACCOUNT TO WHAT YOU OWE WHEN YOU ARE IN DEFAULT, EXCEPT AS LIMITED BY STATE OR FEDERAL LAW.** If we do not apply the funds in your 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 the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge does not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

Legal Proceedings. If your account becomes involved in legal proceedings, your use of such account may be restricted.

Attorney Fees and Expenses. If we need to hire an attorney to represent us in any matter relating to your account or resulting from your failure to follow this Agreement, you agree to pay for all attorney fees and expenses incurred by us. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you.

Changes to Agreement. Sun East may change this Agreement at any time, whether by adding new terms and conditions, or deleting or amending existing ones. Sun East will generally send advance notice of an adverse change. If you do not agree with a change, you may close your account. However, if you continue to use your account or keep it open, you will be deemed to have accepted and agreed to the change(s). The current version of this Agreement supersedes all prior versions and contains the terms governing your account.

Fees. Sun East's *Schedule of Fees and Charges* describes the fees associated with Sun East's accounts and services. Sun East may

change rates and fees by updating the *Schedule of Fees and Charges*. By continuing to use the account or keeping it open, you agree to the revised *Schedule of Fees and Charges*. All fees are due immediately and all account holders are jointly and severally liable for such fees.

Inactive Accounts. All member accounts which do not have a member-generated transaction after six (6) months are considered dormant. The posting of dividends does not count as a member-generated transaction. Dormant accounts of members age 18 and over, with less than \$500 in deposits (excluding IRAs), no loans, no credit card and no delinquent loan will be assessed a monthly Dormant Account Fee (See *Schedule of Fees and Charges*). Once coded dormant you will receive statements annually. Sun East is required by Pennsylvania law to turn over all funds from a member's account after five (5) years of inactivity. Sun East will notify members after the account becomes inactive for five years as of December 31st. Members will receive two (2) notices prior to their funds being forwarded to the Commonwealth of Pennsylvania. Once the funds have been forwarded, it is the member's responsibility to retrieve such funds. We have no way of reversing any account escheated to the Commonwealth of Pennsylvania.

Termination of Account. We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to ownership of the account or of the funds in the account; (4) any share drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it is necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

Termination of Membership. You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all your accounts. We charge a fee to close an account (see *Schedule of Fees and Charges*).

Death of Account Owner. We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days after the date unless we receive instructions from any person claiming an interest in the account to stop payment on the 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.

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.

Information About You

Important Information We Collect About You. 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 member who opens an account with that financial institution and in certain other circumstances. What this means for you: When you open an account, you provide information about yourself such as name address, date of birth, license and other information that will allow us to identify you. We will also ask to see your drivers license and/or other identifying information. You confirm that this information is correct. Sun East will rely on that information until you notify us of a change in that information and we have a reasonable time to act on that change.

Credit Reports and Other Inquiries. You authorize Sun East Federal Credit Union to obtain your credit report and other information from time to time from credit reporting agencies and other third parties in the future for periodic review of your creditworthiness, to provide you with its credit review services and whenever the credit union has a legitimate business reason for doing so. If requested, Sun East will tell you whether or not such a report was requested, and if so, the name and address of the consumer reporting agency or agencies.

Change of Address. You must notify Sun East if you change your physical address or e-mail address. If Sun East receives notice from the United States Post Office or one of its agents that your address has changed, Sun East may change your address on its records to the address specified by the Post Office or its agent and we may send statements and notices regarding your account to that new address.

Taxpayer Identification Numbers and Backup Withholding. Your failure to furnish a correct Taxpayer Identification Number (TIN), such as a Social Security Number or Employer Identification Number, or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you fail to provide your TIN, we will not open the account.

Ownership of Accounts

Individual Accounts. An individual account is an account owned by one member (individual, corporation, partnership, trust or other organization qualified for credit union membership). If the account owner dies, the interest passes, subject to applicable law, to the decedent's estate or 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.

Joint Accounts. An account owned by two or more persons is a joint account.

a. Rights of Survivorship. A joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner's interest is subject to Sun East's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did

not consent to it.

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

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

Minor Accounts. Sun East may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

Trust Account Designations. To establish a trust account with Sun East, the Trust instrument must be in writing and approved by the Credit Union. The Trust must be a revocable trust (unless a non-revocable trust is opened by order of the court). As a revocable trust the grantor, also known as the person or other entity that owns the assets to be held in the trust, may reserve the right to end the trust and get his/her money back. The grantor and trustee must all be within Sun East's field of membership. The person who opens the account is designated the trustee and is the only person who may access the account. Upon death of the owner-trustee, the account is closed and frozen. It is payable to the beneficiary if he/she is of age upon presentation of a death certificate.

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

or a court order authorizing withdrawal.

Agency Designation on an Account. An agency designation on an account is an instruction to us that the owner authorized another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Sun East voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

Business Accounts. If the account holder is a corporation, unincorporated association, limited liability company, limited liability partnership, partnership or sole proprietorship, or other entity holding an account in any capacity other than an individual capacity, each person signing the account application or other account documents represents and agrees that:

- a. They are fully authorized to execute all documents in their stated capacity;
- b. They have furnished all documents necessary to demonstrate that authority;
- c. They will furnish any other documents in such form as Sun East may request from time to time;
- d. All documents delivered to Sun East in connection with the account are true, accurate, complete, and will be kept up-to-date and may be conclusively relied on by Sun East;
- e. Sun East will have no responsibility or duty to monitor the account or the use of funds paid from it, nor any liability for any act or omission by any such person.
- f. The account will not be used either directly or indirectly in any internet gambling business or for any restricted transactions as defined in Regulation GG, 12 CRR Part 233.

Deposit Account Information

Share Insurance. Your share accounts are insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of National Credit Union Administration, up to the Standard Maximum Share Insurance Amount (SMSIA), \$250,000 as of October 3, 2008. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 increased the level of insurance on all accounts to \$250,000. This increase, previously established on a temporary basis, has now become permanent. For more specific information regarding NCUA's share insurance, please request a copy of the NCUA brochure *Your Insured Funds*, which is available at any branch or by calling 877-5-SUNEAST. Additionally, member accounts are insured up to \$250,000 by ESI, a licensed property and casualty insurer. ESI is not a government agency.

Fees. Please refer to our *Schedule of Fees and Charges* for additional information on fees that may apply to your account.

Processing Transactions — Deposit and Cashed Items

Funds may be deposited to any account, in any manner approved by Sun East.

Cashing Items or Accepting Items for Deposit. Sun East may accept a check or other item for deposit to your account from anyone. We have no obligation to question the authority of the person making the deposit. If your account is overdrawn, Sun East will use the deposit to pay the overdraft and any fees or interest

you owe to us. All deposits must be properly endorsed and include your account number.

Sun East may refuse, accept for collection only, or return all or part of any deposit. We may refuse to accept for deposit to your account items which are payable to another person. Sun East acts only as your collecting agent for items deposited and we assume no responsibility beyond the exercise of ordinary care. We are not responsible for errors and delays made by others in the collection process. If Sun East has given you credit for an item and it is not paid for any reason, we will revoke the credit and charge the amount of the item back to your account, even if this causes your account to be overdrawn, and impose a return item charge on your account (see *Schedule of Fees and Charges*). Any collection fees we incur will be charged to your account. All items or Automated Clearing House (ACH) Transfers are provisional until we receive final payment.

You agree that you will not knowingly deposit items into your account that do not have either a true or original signature of the person on whose account it is drawn or an authorized mechanical reproduction of that person's signature.

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 as set forth on the back of the check or draft, we may require endorsement as set forth on the item. Endorsements must be made on the back of the share draft or check within 1 ½ inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

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

Postdated and Staledated Drafts. You agree not to draw or issue any draft that is postdated. If you do draw or issue a draft that is payable on a future date, we shall have no liability if we pay it before its payment date. You agree not to deposit drafts, checks, or other items before they are properly payable. We are under no obligation to pay a draft/check drawn on your account that is presented more than six (6) months after the date it was written (staledated). If, however, the draft/check is paid, Sun East shall have no liability for such payment.

Direct Deposits. We may offer pre-authorized deposits (such as payroll checks, Social Security or retirement checks, or other government checks) or pre-authorized transfers from other accounts. If your account is overdrawn, you authorize us to deduct

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

Chargebacks. If we cash a check for you or accept an item for deposit to your account and it is returned to us unpaid, we will charge your account for the unpaid check. (See *Schedule of Fees and Charges*)

Stopping an item. If you do not want us to pay a check or ACH (item), you can request to stop payment by notifying Sun East in writing, by phone or by speaking with a branch representative. Requests may be made no less than three business days before the scheduled payment date. An oral Stop Payment Order (hereafter referred to as "order") is only effective for 14 days unless it is confirmed in writing within the 14-day period. Once a written Order is received, it is effective for 6 months from the date of the initial request.

Sun East will not be responsible for stopping a payment unless we receive the correct information from you necessary for the computer system to identify the item, and the Order is received by Sun East within a reasonable time for Sun East to act on the Order prior to final payment, as permitted by law. The Order needs to include your account number, the number and date of your item, the name of the payee, and the item amount. For joint accounts, we will accept an Order from any owner, regardless of who signed the item. (See *Schedule of Fees and Charges*)

Checks Presented for Payment In Person. Sun East may refuse to accept any draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the draft and we shall have no liability for refusing payment. If we agree to pay a check that is presented for payment in person, we may require the presenter to pay a fee. Any applicable check cashing fees are stated in the *Schedule of Fees and Charges*.

Processing Transactions — Withdrawals

Notice of Withdrawals. Sun East may require ten (10) business days advance notice to withdraw or transfer funds from any account.

Withdrawal Restrictions. We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient funds may be subject to a service charge set forth in the *Schedule of Fees and Charges*. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds in any order at our discretion.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: (1) a dispute between account owners (unless a court has ordered Sun East 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 Sun East loan on time.

Transaction Limitations (Regulation D)

Regulation D impacts the number of transactions Sun East may allow on your deposit accounts (including Savings accounts, Club accounts, Premier Money Market and Performance Money Market accounts). This regulation was implemented by the Board of Governors of the Federal Reserve System, whose job is to ensure that financial institutions maintain adequate reserves for the funds they have on deposit.

Regulation D affects you by limiting certain withdrawals and transfers that may be made from your Savings accounts, Club accounts, Premier Money Market and Performance Money Market accounts. **The following transactions (or any combination thereof) are limited to six (6) per month:**

- o Overdraft agreements where money is automatically withdrawn from a savings account to cover overdrafts in any of your other Sun East accounts.
- o SUNNY telephone banking transfers or other telephone transfers from a savings account to other accounts or third parties.
- o Online banking transfers from a savings account to other accounts or third parties.
- o Preauthorized, automatic transfers (ACH) made at a predetermined time to third parties or to your other accounts, of which up to six (6) may be made by check, debit card (if applicable) or similar order to a third party.
- o Withdrawals from savings made by check payable to a third party.

There is no limit on the frequency or dollar amount of transfers for the purpose of repaying loans and associated expenses where the loan has been made to you by Sun East or is serviced by Sun East.

And, there are no limitations to the number of transactions that you handle on any account in person, by mail or through an ATM. You should know that Sun East will refuse any transactions that are not in compliance with Regulation D (checks may be returned and fees applied).

Federal Reserve Regulation D is a directive of the government, not your credit union. Savings accounts are not intended to be transaction accounts. The best way to stay within these limits is to deposit funds into your checking account and use your checking for all of your electronic transactions.

Deposit Availability Policy (Regulation CC)

When a deposit is made to your account, the funds may not be available immediately. For example, if you deposit a check on Monday, you may not be able to withdraw the funds from that check, and we may not pay another check with those funds, until Tuesday or even later. See the Availability Timeline below for details about when you can use the funds from different types of deposits.

If you withdraw funds from a check deposit, and the check is later returned unpaid, we may charge the check back to your account.

Availability Timeline for Deposits to Established Accounts

Below is our general policy for deposits to accounts open for more than 30 days. Longer delays may apply, and different rules apply for checks deposited to accounts open 30 days or less, see the section *Availability Timeline for Deposits to New Accounts*.

A **business day** is any day of the week except Saturday, Sunday, and Federal holidays. A deposit made in branch (person-to-person) during normal operating hours on a business day is considered deposited that day. A deposit made after that time, or on a day we are closed, is considered deposited the next business day.

| When a deposit is made by ... | Deposited funds are available ... |
|--|--|
| <ul style="list-style-type: none"> • Electronic direct deposit • Wire transfer • Cash | <ul style="list-style-type: none"> • The same business day as the day of deposit |
| <ul style="list-style-type: none"> • U.S. Treasury Checks (Payable to You) • Checks drawn on Sun East Federal Credit Union • PA State and local Government Checks (Payable to You) • Cashier's, Certified and Teller's Checks (Payable to You) • U.S. Postal Money Order (Payable to You) • Federal Reserve Bank Check (Payable to You) • Federal Reserve Home Loan Bank check (Payable to You) | <ul style="list-style-type: none"> • The first \$200 is available on the same business day as the day of deposit. • The next \$4,800 is available on the next business day after the day of deposit. • Any remainder over \$5,000 is available on the 7th business day. |
| <ul style="list-style-type: none"> • All other checks not specifically described above | <ul style="list-style-type: none"> • The first \$200 is available on the same business day as the day of deposit. • Any remainder over \$200 is available in 2 business days after the day of deposit. |

Check Cashing, Immediate Availability, and Holds on Other Funds. We may cash a check or make a check deposit available immediately if you have funds to cover that check in any of your accounts with us. If we do, we will place a hold on those funds (equal to the amount of the check) in your other account(s) according to the timelines described elsewhere in this policy.

Longer Delays May Apply

Funds from check deposits may be delayed for up to seven (7) business days if:

- o We reasonably believe a deposited check will not be paid.
- o You deposit checks totaling more than \$5,000 on any one day.
- o You redeposit a check that has been returned unpaid.
- o You have overdrawn your account more than once in the last 6 months.
- o There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds, and we will tell you when the funds will be available.

**Availability Timeline for Deposits to New Accounts
(Open 30 Days or Less)**

| When a deposit is made by ... | Deposited funds are available ... |
|--|---|
| <ul style="list-style-type: none"> • Electronic direct deposit • Wire transfer • Cash | <ul style="list-style-type: none"> • The same business day as the day of deposit |
| <ul style="list-style-type: none"> • U.S. Treasury Checks (Payable to You) • Checks drawn on Sun East Federal Credit Union • PA State and local Government Checks (Payable to You) • Cashier's, Certified and Teller's Checks (Payable to You) • U.S. Postal Money Order (Payable to You) • Federal Reserve Bank Check (Payable to You) • Federal Reserve Home Loan Bank check (Payable to You) | <ul style="list-style-type: none"> • The first \$5,000 is available on the next business day after the day of deposit if the deposit meets certain conditions. |
| <ul style="list-style-type: none"> • All other checks not specifically described above | <ul style="list-style-type: none"> • Available on the 9th business day |

Availability Timeline for Deposits at an ATM. A deposit made at an Automated Teller Machine (ATM) before 3:00 PM on a business day is considered deposited that day. A deposit made after that time, or on a day we are closed, is considered deposited the next business day.

Sun East ATM Deposits. If you make an ATM deposit at a Sun East ATM, which will be clearly labeled as a Sun East ATM, the first \$200 of your total ATM deposits will be available on the same business day. The remaining amount of your deposits over \$200 will be available on the second business day after the day of your deposit. (For example, if you were to deposit a check on a Monday we are open for business, in most cases, funds would be available on Wednesday.) On new accounts, extended hold periods may apply.

Non-Sun East ATM Deposits. If you make a deposit at an ATM that Sun East does not own, your deposits will be available on the fifth business day after the day of your deposit. (For example, if you were to deposit a check on a Monday we are open for business, in most cases, funds would be available on Monday of the following week.)

Overdrafts - Standard Overdraft Practices

Non-Sufficient Funds. When you do not have enough available funds in your account to cover a check, automatic bill payment (ACH) or other transaction made using your checking account number, Sun East considers the item a Non-Sufficient Funds (NSF) item. For checks, automatic bill payment (ACH) and other transactions made using your checking account number, we may either pay such items and overdraw your account, as permitted by law, or decline or return such items unpaid. In such cases, Sun East may charge for each NSF item, as set forth in the *Schedule of Fees and Charges* for your account.

Standard Overdraft Practices. An overdraft occurs when you do not have enough money in your account to cover a transaction. Sun East can cover your overdrafts through our Courtesy Pay Privilege

program described below or through overdraft protection plans.

For eligible accounts, we do authorize and pay overdrafts for checks, automatic bill payment (ACH) or other transaction made using your checking account number through our Courtesy Pay Privilege program (see Courtesy Pay Privilege). As required by law, we do not authorize and pay overdrafts for everyday debit card and ATM transactions, unless you opt-in through our Courtesy Pay Privilege Plus program. For information on how to opt-in to Courtesy Pay Privilege Plus for everyday debit card and ATM transactions, see the *Courtesy Pay Privilege Plus Opt In* form.

If Sun East pays NSF items by overdrawing your account on one or more occasions, we are not obligated to continue doing so in the future and may stop paying such items and return them unpaid without notice to you. If Sun East overdrafts your account to pay an NSF item, you agree to repay us immediately, without notice or demand from us. Sun East may use subsequent deposits or credits to the account, including without limitation deposits of government, welfare, retirement, and Social Security benefits, to pay any overdraft you owe us, to the fullest extent permitted by law. You understand and agree that if you do not want such benefits applied in this way, you may change your direct deposit instructions to the benefits payor at any time.

Each account holder is jointly and severally responsible for paying any overdrafts created by an authorized signer or party of the account, whether or not the account holder participates in the transaction or benefits from its proceeds. Sun East may cover any overdraft by debit to any other checking, savings, or time deposit account of any account holder without notice to the account holder, but we are not obligated to do so. You agree to pay all costs and expenses, including attorneys fees, that Sun East incurs in the collection of any overdraft.

Overdraft Protection - Options

You may select an overdraft source. By doing so, when you do not have enough available funds in your account to cover a check or other item drawn by any account holder or authorized signer, you authorize and direct Sun East to automatically transfer funds from another designated Sun East account, such as a savings account, or from an overdraft line of credit. Sun East reserves the right to charge an overdraft protection transfer fee for such transfers. See Sun East's Schedule of Fees and Charges for a current list of fees. *Please Note: Overdraft protection transfers are subject to Federal Regulation D and are therefore limited in number as described above.*

Additionally, Sun East offers the following overdraft services:

Courtesy Pay Privilege. Sun East's discretionary overdraft program provides account holders in "good standing" the service of paying overdraft items including checks, automatic bill payment (ACH) and other transactions using your checking account number when there are not enough funds in the checking account to cover the items.

This non-contractual courtesy of paying overdrafts for checks, other transactions made using your checking account number and automatic bill payments requires no account holder action. It costs nothing unless the privilege is used. If you meet eligibility requirements and need to use this service, we may, at our sole discretion, pay the item(s) up to the authorized limit and will charge your account the Courtesy Pay Fee as listed in Sun East's *Schedule*

of Fees and Charges for each item that overdraws the account. Courtesy Pay Privilege does not authorize us or allow us to pay ATM transactions or every day debit card transactions.

Courtesy Pay Privilege Plus. Overdraft Opt-In Service for everyday debit card and ATM transactions provides account holders in “good standing” the option to authorize Sun East to pay everyday debit card and ATM transactions when there are not enough funds in their checking account to cover these transactions. Federal regulations require that members opt-in to this service. For information on how to opt in to Courtesy Pay Privilege Plus for everyday debit card and ATM transactions, contact us.

Sun East will not pay overdrafts you make using your Debit Card for everyday purchases at stores, online or by telephone or ATM transactions, unless you sign a Courtesy Pay Privilege Plus Opt-In form letting us know that you wish to be eligible for this service. If you Opt-In to this feature, we may, at our sole discretion, pay the item(s) up to the authorized limit and will charge your account the Courtesy Pay Fee as listed in Sun East’s *Schedule of Fees and Charges* for each item that overdraws the account. At any time, you may change your decision and opt out of Courtesy Pay Privilege Plus.

Courtesy Pay Privilege/Plus Policy. The Courtesy Pay Privilege/Plus program is available to certain account holders in “good standing.” **Please Note:** Courtesy Pay Privilege/Plus is not available on all account types, such as minor/UTMA, estate, Representative Payee or VA Custodian accounts.

Account in “good standing” is defined as:

- a. Making regular deposits sufficient to cover transactions;
- b. Bringing the account to a positive balance at least once every thirty days or less,
- c. There are no legal orders outstanding on your account, and
- d. There is no default on any Sun East loan obligation.

What are the authorized limits for Courtesy Pay Privilege/Plus?

Courtesy Pay Privilege/Plus will be available immediately for new checking accounts. During the first 30 days, an overdraft limit up to \$150, including any overdraft fees assessed, will be offered in most circumstances. After the checking account has been opened for 30 days, the limit will be set for members based on their average deposit activity.

What are the fees for Courtesy Pay Privilege/Plus?

Your account will be assessed a Courtesy Pay Fee for each item paid through Courtesy Pay Privilege or Courtesy Pay Privilege Plus. See Sun East’s *Schedule of Fees and Charges* for current list of Fees. *There is no limit on the total fees we can charge you for overdrawing your account.*

We will send you a notice each time an overdraft occurs. You then have 30 days to bring the account current to remain eligible for the Courtesy Pay Privilege/Plus service.

What is the Opt Out procedure for Sun East’s Courtesy Pay Privilege program as it applies to our Standard Overdraft practices regarding checks, automatic bill payment (ACH) or other transaction made using your checking account number?

Although you are not charged for using Courtesy Pay Privilege

unless you have an overdraft, you may Opt-Out at any time. **Please Note:** *You must Opt-In to Courtesy Pay Privilege Plus to have Sun East authorize and pay overdrafts on my everyday debit card and ATM transactions. At any time, you may choose not to participate by notifying any Sun East member service representative.*

Order of Payments. Checks, drafts, items and other transactions are generally processed in the order that we receive them. This may or may not be in the order that you make them. The order in which we process drafts, checks and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay drafts and checks and process transfers and withdrawals.

Truth In Savings

The purpose of Truth in Savings is to promote and simplify comparisons among accounts at all financial institutions by enabling consumers to make informed choices/comparisons among competing claims of financial institutions by requiring disclosure of the interest rates payable on these accounts and the fees assessable against these accounts. For account specific information, please refer to the *Account Schedule*, the *Rate Schedule* and the *Schedule of Fees and Charges*.

General Information about Dividend-Bearing Accounts

Balance Computation Method. Dividends are calculated by the daily balance method that applies a daily periodic rate to the entire principal balance in the account for each day in the statement period. Dividends are earned on the principal balance for each day that the account balance exceeds the minimum necessary to maintain this account.

Nature of Dividends for Dividend-Bearing Accounts. Dividends are paid from current income and available earnings, after required transfers to reserves at the end of the dividend period.

Accrual of Dividends on Non-cash Deposits. Dividends will begin to accrue on the business day you deposit non-cash (e.g. checks) to your account. If an item is returned, dividends will not be calculated on the amount of the returned item.

Compounding and Crediting for Dividend-Bearing Accounts. For compounding and crediting information, see *Account Schedule*. If you close your account before dividends are credited, you will receive the accrued dividends minus any penalties and fees, if applicable.

Certificate Accounts

When you open a certificate account or time deposit account, you will receive a deposit receipt rather than an actual certificate. See the *Account Schedule*, *Rate Schedule* and *Schedule of Fees and Charges* for initial deposit and minimum balance requirements, current annual percentage yields, and other fees or terms that may affect your account.

Rate Information. These are dividend bearing accounts that mature in the length of time selected at account opening. The annual percentage yield and dividend rates for our various certificates are provided in the *Rate Schedule*. Except for the Variable IRA Certificate and Step Up Share Certificates, the dividend rate and annual percentage yield (APY) will not

change and will be in effect until the account matures. The annual percentage yield assumes dividends remain on deposit until maturity.

Fees and Charges. Fees could reduce the earnings on your Account.

Transaction Limitations. Unless otherwise noted in the *Account Schedule*, after the account is opened, you may not make deposits into the account until the maturity date stated on the certificate.

Renewals. Unless otherwise stated in the *Account Schedule*, your account will automatically renew at the end of each term at the dividend rate and annual percentage yield (APY) offered on the maturity date for accounts of similar balance and terms. There is no grace period following maturity of this account.

Dividend Payments. Dividends earned on your account will be reinvested unless you ask us to transfer dividends to a share account or to receive your dividends by check. Annual percentage yields assume that interest is reinvested and not paid out. Withdrawal of dividends will reduce earnings.

Early Withdrawals. Your certificate has a maturity date. Any withdrawals before the maturity date require Sun East's consent. Unless otherwise noted in the *Account Schedule*, there is a penalty for withdrawing funds from your certificate before the maturity date.

Penalties are listed in the table below:

| Term | Early Withdrawal Policies |
|----------------------|---------------------------|
| Less than 6 months | 45 days dividends |
| 6 through 11 months | 90 days dividends |
| 12 through 60 months | 180 days dividends |

Penalty pertains to the amount withdrawn and may result in a reduction of principal. Partial withdrawals are not permitted.

Individual Retirement Accounts (IRAs). In addition to any penalty that we may impose for early withdrawal, according to federal regulations, you may be charged an early withdrawal penalty if you withdraw from your IRA before the age of 59 ½. Early withdrawal penalties are waived if, at the time of withdrawal, certain circumstances apply, such as you are at least 59 ½ years old, deceased, disabled or declared incompetent by a court of law. There are additional circumstances defined in federal regulations where, at our discretion, the penalty described need not be applied. We will exercise our discretion in such circumstances when the request for early withdrawal is made.

IRA Contribution Limits. IRAs are subject to limitations imposed by the Internal Revenue Service (IRS). For current guidelines, please visit www.irs.gov.

Checking Accounts - General Information

Electronic Debits. Payments you make to a third party by check may be converted to electronic debits (e-checks), which are processed through the Automated Clearinghouse (ACH) and are subject to the *Electronic Banking Services Agreement and Disclosure*.

Printed Check Purchases. Sun East reserves the right to require that all printed checks be purchased through our authorized check

printers. If at any time you should use checks printed by someone other than authorized by Sun East, we reserve the right to reject every check.

Overdraft Protection. You may choose to set up an overdraft source from the following accounts: savings, Classic Money Market, Holiday Club and Vacation Club. The first three (3) transfers each month are made at no additional charge, there will be a fee assessed for each additional overdraft. (Please see *Schedule of Fees and Charges*.) These accounts are subject to the Regulation D limitations set forth herein. See Transaction Limitations (Reg D) for more information.

Primary Funding Account. If you have both a Free Checking and Interest Checking Account, you must determine which will serve as your primary funding account for Point of Sale (POS) and Point of Banking (POB) transactions on your debit card. What this means to you is that when you transact at a terminal where you are not given an opportunity to select a funding source, the checking account which you choose as the primary funding account would automatically be debited. On terminals, such as ATMs, where you there is an option to select a funding source, you would be able to choose which checking account would be the funding source for each individual transaction.

Statements and Notices

Statements. You will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. You agree that only one statement will be mailed to the primary address on the account.

Check Copies. For checking accounts, you understand and agree that Sun East does not return cancelled checks to you and, once paid, original drafts become the property of the Credit Union. You can review and obtain copies of checks at no cost through Sun East's Online Banking. You can also request that Sun East provide a copy of a check. We may charge you a fee for check copies as shown in the *Schedule of Fees and Charges*. When a copy is unavailable or of poor quality, we are not liable to you for any claim, cost, loss or damage of any kind. Some checks that you write may be converted to electronic debits. In this case the check is not sent to us for processing so we do not have a copy. These electronic debits are listed on your account statement.

Notices. Sun East informs you of changes affecting your rights and obligations by providing notices to you. We may post such notices in our branches or on our web site. We may include notices with or on your statement.

Delivery of Statements and Notices. Sun East will send statements and notices to your last known address or make them available electronically. For Accounts with more than one account holder, statements or notices sent or made available to any one account holder are deemed to be sent or made available to all account holders. You understand and agree that statements are made available to you on the date they are mailed to you. If a notice of a change to this Agreement is returned to Sun East or otherwise determined to be undeliverable, you agree that the change contained in the notice is still effective and binding on you.

Notices from you will be effective when received by Sun East at the following address:

Sun East Federal Credit Union
P.O. Box 2231
Aston, PA 19014-2231

Examining Statements and Reporting Problems. You agree to promptly and carefully review your periodic account statement and any items reflected on the statement. You must report problems or unauthorized transactions to Sun East immediately. You agree that 60 days after Sun East sends a statement or makes items available is the maximum reasonable amount of time for you to review your statement or items and report any problem or unauthorized transaction related to a matter shown on the statement or items. If you do not notify Sun East in writing of suspected problems or unauthorized transactions within 60 days after Sun East sends you statement or makes items available, you agree that you cannot make a claim against Sun East relating to the unreported problems or unauthorized transactions, regardless of the care or lack of care Sun East may have exercised in handling your account. In addition, if you fail to report an unauthorized transaction on your account within 60 days following the closing date of the statement containing information about the first unauthorized transaction, Sun East is not liable to you for subsequent unauthorized transactions on your account by the same person.

You agree that the Credit Union's retention of drafts does not alter or waive your responsibility to examine your statement 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 errors. If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

If there are any unauthorized transactions on your Account (such as missing, stolen, or unauthorized checks), Sun East may require you to close your current account and open a new one. If you do not do so, we are not liable to you for subsequent losses or damages on the account due to forgery, fraud or other unauthorized use. When you open a new account, you are responsible for notifying any third parties that need to know your new account number.

If you report to Sun East that a forgery, alteration, or other unauthorized transaction has occurred on your account, you agree to cooperate with Sun East and applicable authorities in the investigation and prosecution of your claim and any attempt to recover funds. You agree to provide us with an affidavit containing the information Sun East requires concerning the transaction. We may deny your claim if you fail to cooperate and provide us with any affidavit we require. You also agree to assist Sun East in identifying and prosecuting the suspected wrongdoer(s).

You agree that Sun East has a reasonable period of time to investigate the facts and circumstances surrounding any claimed loss and that Sun East has no obligation to provisionally credit your Account, except as required by law. Sun East's maximum liability is the lesser of your actual damages proved or the amount of the

missing deposit or the forgery alteration, or other unauthorized withdrawal, reduced in all cases by the amount of the loss that could have been avoided by your use of ordinary care. Sun East is not liable to you for special or consequential losses or damages of any kind, including loss of profits and opportunity or for attorneys' fees you incur.



Deposits Insured Up to \$500,000 \$250,000 by the National Credit Union Administration, a U.S. Government Agency, and \$250,000 by ESI, a licensed property and casualty insurer. ESI is not a government agency.