

Truth-In-Savings and
Other Account Disclosures



Effective May 1, 2016

**Important Document
Please keep for your reference**

TRUTH-IN-SAVINGS AND OTHER ACCOUNT DISCLOSURES

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PART I. GENERAL TERMS AND CONDITIONS

A. Definitions

For purposes of this Disclosure, the following definitions apply:

1. Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. Credits and debits through this network are made to accounts through Electronic Funds Transfer. ACH credit transfers include direct deposit payroll and vendor payments. ACH direct debit transfers include consumer payments on insurance premiums and mortgage loans.
2. Business Day means Monday through Friday, excluding Federal and Credit Union holidays.
3. Cashier's check means any check, which is subject to all of the following:
 - a. The check is drawn on a depository institution.
 - b. The check is signed by an officer or authorized employee of the depository institution.
 - c. The check is a direct obligation of the depository institution.
4. Certified check means any check with respect to which a depository institution certifies the following:
 - a. The signature on the check is genuine.
 - b. The depository institution has set aside funds that are equal to the amount of the check and will be used only to pay that check.
5. Electronic Funds Transfer (EFT) refers to computer-based systems that are used to perform financial transactions electronically. Electronic Funds Transfers (EFTs) are deposits to, withdrawals from, or transfers between accounts, which are not originated by check, draft or similar paper instrument and include transactions sent via Automated Clearing House (ACH), preauthorized transfers, Bill Payment transactions, debit card transactions at a merchant location or other electronic means.
6. First endorsed means any check endorsed and being deposited by the first payee.
7. Item and Instrument mean a check, negotiable order of withdrawal, warrant or money order.
8. Official Bank check means any check issued by a depository institution and drawn on another depository institution.
9. Personal check means any check drawn on the account of a natural person.
10. Rate Sheet or Fee Schedule refers to the Credit Union-published dividend rates, account requirements and fees. This information may be found on the Credit Union website at quorumfcu.org, or may be requested at a Quorum Federal Credit Union Service Center or through the Member Service Team at (800) 874-5544 or (914) 641-3700.
11. Third party means any check payable to and being deposited by someone other than the first payee.

B. ALL ACCOUNTS

1. Membership Requirements and Terms of Agreement

- a. In order to join the Credit Union, the primary member must be within the Credit Union's field of membership as stated in the Bylaws. Members will be assigned a Membership Account Number. Each individual share account under that membership, starting with a Basic Savings account, will be assigned a Suffix number to identify the unique share account under the membership.
- b. To comply with the USA Patriot Act, all financial institutions must obtain, verify, and record information that identifies each person who opens an account. This information includes name, residence, date of birth, and tax identification number. A driver's license or other identifying documents may be required for identification purposes. If this information cannot be verified by the Credit Union's documentary or non-documentary methods, the membership can be denied and/or closed.

- c. To comply with federal law, the member must have a valid, verifiable Tax Identification Number (Social Security or Tax Identification Number) or foreign persons (if eligible) must complete the applicable IRS forms. For additional information on this requirement, refer to Part I.A.7 General Terms and Conditions, Taxpayer Identification Numbers (TIN) and Backup Withholding.
- d. Members must maintain a minimum balance requirement as defined on the Rate Sheet in a Basic Savings account.
- e. Members and prospective members authorize the Credit Union to gather consumer reports related to credit, checking account and employment information on them from time to time. This will assist, for example, in determining initial and ongoing eligibility for an account. Membership is not guaranteed to those within the field of membership. The Credit Union may refuse membership to anyone who has previously perpetrated fraud, manipulated accounts or caused this or any other financial institution a loss.
- f. The Credit Union's delay in enforcing any of the terms and conditions of this Agreement shall not prohibit it from enforcing such terms and conditions at a later date.
- g. The Credit Union reserves the right to change any provision of this Agreement. Advance written notice of a change will be provided if required by law or regulation. The Credit Union also reserves the right to establish, from time to time, rules and regulations concerning any account, which will be available for inspection upon request.
- h. The Credit Union will not be responsible in connection with any notices, requests or changes sent concerning an account if such notice, request or change is untimely, not received or not sent pursuant to the requirements of this Agreement or applicable law.
- i. The Credit Union has the right pursuant to its statutory lien and can charge against any balance in any accounts, including jointly owned accounts, to include any otherwise statutorily protected funds that may not otherwise be available by legal process to liquidate any Credit Union indebtedness owed by the member or any person listed as a joint owner on the member's accounts with the Credit Union, including a deceased joint owner. The Credit Union may take such action without further notice to the member or any joint owner. Consent for the Credit Union to apply funds that have a statutory protection to pay any such indebtedness may be withdrawn by notifying the Credit Union in writing. If consent is withdrawn, the Credit Union may in its sole discretion terminate any and all services the member has with the Credit Union.

2. Examination of Statements and Records

Members shall exercise reasonable promptness in examining account statements and promptly notify the Credit Union of any unauthorized transaction including, but not limited to, alteration of an item or an unauthorized signature. If there is a failure to uphold these duties, members will be precluded from asserting their unauthorized signature or any alteration if the Credit Union either proves it suffered a loss because of the member's failure, or pays on another item presented by the same wrongdoer if the payment was made before the Credit Union was properly notified. Notification must be given within sixty (60) days of the statement. If the member fails to uphold these duties, but can prove that the Credit Union failed to exercise ordinary care in the payment of the relevant items, the above preclusion will not apply and the loss will be allocated between the Credit Union and the member to the extent their respective actions contributed to the loss.

3. Termination of Account, Service Limitations and Closure of Suffixes

- a. The Credit Union may terminate an account at any time, or limit services for any member who has caused a loss to the Credit Union, presents a risk of loss or who is abusive to Credit Union staff or other members.
- b. The member may terminate an account at any time as long as there are no pre-existing account obligations.
- c. The Credit Union reserves the right to monitor accounts and restrict services and/or close any account(s) suspected/discovered to be manipulated that present a risk of loss to the Credit Union. "Manipulation" includes, but is not limited to, kiting and repeated patterns of transactions that have no apparent business reason other than to take advantage of "dividend float."
- d. If a Basic Savings balance falls below the required minimum balance requirement as defined on the Rate Sheet, the Credit Union may transfer the difference from any other account under that membership. In the event that there are no available funds to transfer, the Credit Union reserves the right to close such membership in accordance with its Bylaws.
- e. If any other savings account suffix remains inactive with a zero (0) balance for twelve (12) months or longer, the Credit Union may, at its discretion, close the account.

4. Authorized Parties

- a. The Credit Union may recognize anyone included on the Membership or Joint Owner Application as authorized to transact business on that account. Any payment made on that account by the Credit Union in good faith and in reliance on the terms and conditions of this Agreement and the Membership or Joint Owner Application shall be valid and discharge the Credit Union from liability.
- b. Ownership for the Basic Savings account and all sub-accounts shall be established and determined by the Credit Union from the most recent Membership or Joint Owner Application or other document(s) in the Credit Union's possession evidencing such account(s). A different form of ownership may be established by executing additional form(s).
- c. Owner(s) agree that any and all sums heretofore or hereafter paid into the account shall be subject to withdrawal or receipt of any owner and any such payment shall be valid and discharge the Credit Union from any liability.
- d. If the Credit Union receives notice from any owner that withdrawals, in accordance with the terms of the account, should not be permitted, it may refuse, without liability, to pay any sums on deposit pending determination of the rights of the owners. Further, if there is more than one (1) owner and there is a conflict among them, the Credit Union may require consent from all owners. Such consent notice(s) shall become effective only upon receipt and after the Credit Union has had a reasonable opportunity to act thereon.

5. Changes in Personal Information

Members are required to notify the Credit Union promptly of any change of address or other contact information by telephone at (800) 874-5544 or (914) 641-3700, in writing or by updating their contact information directly through online banking. Any account for which mail is returned to the Credit Union due to an invalid address, may be charged a fee (refer to the Credit Union Fee Schedule). The Credit Union is not obligated to forward any mail based upon a forwarding address request with the United States Postal Service.

6. Transactions and Account Documentation

- a. The Credit Union reserves the right to validate or confirm requests received via phone, mail, fax or e-mail. The Credit Union will not be held responsible for any request that is not received or is unable to be processed due to lack of sufficient information or member validation.
- b. The Credit Union may endorse items or checks payable to it that are received for deposit to an account.
- c. The Credit Union may refuse a check deposit if there are grounds for reasonable belief that the funds will not be paid.
- d. The Credit Union will not be responsible for any damages incurred in the event an item is deposited and subsequently returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by the endorser.
- e. The Credit Union has the responsibility to remit inactive account balances based upon the state's "Abandoned Property Laws." State laws will vary. New York State law generally requires that inactive account balances must be turned over to the state after a period of three (3) years.
- f. The Credit Union may, but is not obligated to, transfer funds from a savings account or loan account by request. No transfer will be made unless there are sufficient available funds on deposit or sufficient credit available at the time of transfer. Any such transfer(s) shall be processed only on Credit Union "Business Days."
- g. To comply with Federal law, the Credit Union will report certain domestic currency transactions and foreign transactions. This reporting applies to all accounts at the Credit Union.
- h. To comply with Federal law, the Credit Union agrees to retain, and furnish, if requested, copies of certain records pertaining to an account and that these records will be available for the time frame required by law. Fees are applicable for these copies (refer to the Credit Union Fee Schedule).
- i. In the event that a Cashier's check is lost or stolen, a written Declaration of Loss must be executed and delivered. Members agree to indemnify the Credit Union for any claim, loss or costs arising from attempts to honor, or honoring of, the Declaration. The Declaration of Loss is not enforceable until the later of the time the claim is asserted, or the 90th day following the date of the Cashier's check, or the 90th day following the date of acceptance of the Certified check.
- j. The Credit Union's Bylaws (Article III, Section 5(a)) authorize the Board of Directors to request the member give up to sixty (60) days written notice of intention to withdraw funds from any account except checking accounts.
- k. All accounts (except checking accounts) are not transferable except as defined in Federal Reserve Board, Regulation D, Reserve Requirements of Depository Institutions. Except as specifically provided, the depositor is permitted or authorized to make no more than six (6) transfers and withdrawals, or a combination of such transfers and withdrawals, per calendar month from any savings account. Refer to Part II. Terms and Conditions of Accounts, Savings Accounts for further information.

7. Taxpayer Identification Numbers (TIN) and Backup Withholding

- a. What is backup withholding? Persons making certain payments are required to withhold and pay to the Internal Revenue Service (IRS) a percentage of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include: interest, dividends, broker and barter exchange transactions, rents, royalties, non-employee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

- b. Failure to furnish a correct Taxpayer Identification Number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If a member refuses to provide a TIN, the Credit Union may suspend opening of the account.
- c. How do I avoid backup withholding? If a correct TIN is given, the appropriate certifications are made, all taxable dividends are reported on a tax return, and all other requirements are met, payments should generally not be subject to backup withholding.
- d. If an account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the IRS a required percentage of payments of interest, dividends and certain other payments under certain conditions.

8. Security of Account Information

Refer to Part V, Privacy Notice.

C. INDIVIDUAL AND JOINT ACCOUNTS

1. If there is more than one owner, all agree with each other and with the Credit Union that all funds shall be owned by all account owner(s) jointly regardless of their net contributions with a right of survivorship and shall be subject to withdrawal or receipt by any of the account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.
2. The Credit Union is 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 funds withdrawn from the account for the purpose of establishing net contributions.
3. No transfer of voting rights or other membership privileges are permitted by virtue of a transfer of savings between owners.
4. Joint ownership of an account does not constitute Credit Union membership. Joint owners may be non-members. Joint owners may apply for membership under their own TIN provided they are within the field of membership.
5. Any or all of the available funds on deposit in a Savings or Term Savings account may be pledged, as collateral security for any loan(s), subject to the Credit Union's policies and procedures.
6. A right of survivorship arising from the express terms of a joint account cannot be changed by a will.
7. The actions of one account holder bind all other account holders. Primary and joint owners are equally responsible for any debt or loss incurred by the Credit Union. Collection attempts, should they be necessary, may be made against any owner, including reasonable legal fees if action is commenced for collection.
8. No one but a primary account holder can close an account or make changes to account records, including changing the primary member's address or personal identifying information. Additionally, only the primary account holder can change the security settings for an account including a Personal Identification Number (PIN) or password.
9. With the exception of when the joint owner is deceased, joint owners can be removed from savings account suffixes by submitting a Membership Change Form. Checking account suffixes must be closed.

D. TOTTEN TRUST ACCOUNTS

1. For Totten Trust Accounts, the trustee(s) declare(s) that the account is, and any and all sums credited to such account are and shall be, held by a member (as joint tenants and equally, regardless of net contributions with right of survivorship if there is more than one trustee), in trust for the Beneficiary(ies) named on the Membership Application or other approved Credit Union documentation. The trustee reserves the right to: (1) have dividends declared on said account paid; and (2) revoke such trust in whole or in part, at any time or times by executing and delivering a request for withdrawal or pledge of funds of the whole

or part of such account, and such trust shall be revoked as to the whole or part to which such request relates.

2. In the event of death or, if the account is held by more than one person, the death of the survivor, then and only then, the Credit Union shall pay such account balance(s) to the Beneficiary if then living (if more than one Beneficiary is designated then equally to those Beneficiaries living at the date of death or the death of survivor(s)); but if no Beneficiary is living at the date of death or the death of survivor(s), the Credit Union shall pay such account balance(s) to the estate of the survivor(s). There is no right of survivorship between beneficiaries.

3. Any or all of the available savings on deposit in the account may be pledged as collateral security to any loan(s) subject to the Credit Union's policies and procedures.

E. CUSTODIAL ACCOUNTS

1. The transferor/custodian may open an account as custodian for the minor named on the Application Form under the New York Uniform Transfer to Minors Act (UTMA) pursuant to the Credit Union's policies and procedures. The transferor/custodian must be a member of the Credit Union and the minor must be eligible for membership. The transfer of money to the minor named on the Custodial Account application, which transfer shall be deemed to include all dividends and any future additions thereto, is irrevocable and is made in accordance with and to include all provisions of the law now in effect or hereinafter amended.

2. Any of the savings on deposit in the account cannot be pledged as collateral security for any loan(s).

3. The successor custodian named on the Application Form shall serve if the primary custodian should be unable to act as custodian because he/she resigns, dies or becomes legally incapacitated.

4. Only one person can act as custodian on all suffixes that are listed under the same account number.

5. Only the custodian can close and/or transfer funds out of this account until the minor reaches the age of majority.

6. Once a minor reaches the age of majority under NY UTMA (21 unless otherwise requested in accordance with Credit Union procedures), the minor is legally entitled to the balance in a UTMA account. The account will be converted to an individual account, with ownership transferred to the Minor within 30 days of reaching the age of maturity. At this point the account will no longer have a Custodian assigned to it. If the primary owner (former Minor) would like to set up joint ownership on the newly converted account, they must complete the Joint Owner Application.

F. FIDUCIARY ACCOUNTS

1. A fiduciary on a fiduciary account may not pledge any of the savings on deposit in the account as collateral security for any loan(s).

2. If the account is blocked, written receipt must be filed with the court including an agreement with the Credit Union that the money in the account, including any earnings thereon, shall not be withdrawn except upon court order.

PART II. TERMS AND CONDITIONS OF ACCOUNTS

A. DISCLOSURE FOR CHECK CLEARING POLICIES, AVAILABILITY OF FUNDS AND COLLECTION OF ITEMS

The Credit Union's Funds Availability Policy complies with Federal Reserve Board, Regulation CC, Availability of Funds.

1. Same day availability

Generally, the Credit Union makes the following types of deposits made in person or through Electronic Funds Transfer (EFT) available on the same day of deposit:

- a. Cash; all Electronic Funds Transfer (EFT) items excluding deposits made through Quorum's Online and Mobile Banking External Transfers service; Cashier's checks, Certified checks, Sponsor-related Corporation Payroll checks, Federal, State, and Generally, the Credit Union makes the following types of deposits made in person or through Electronic Funds Transfer (EFT) available on the same day of deposit:

2. Deposits made using an ATM or through the Mobile Banking Service

For accounts opened more than 30 days, cash deposits at a non-Quorum ATM, and all check deposits made at any ATM (Automatic Teller Machine) or through the Mobile Banking Service may have the first \$2,500 made available on the day of deposit. Amounts greater than \$2,500 may be made available on the second Business Day following the day of deposit. All funds from cash deposits at a Quorum-owned ATM will be immediately available.

3. Checks Drawn on Another Financial Institution

Checks cashed by Credit Union members drawn on another bank may have the availability withheld of a corresponding amount of funds that are already in the member's account. Those funds will be available at the time funds from the check the Credit Union cashed would have been available if deposited.

4. Deposits (transfers) made using Quorum's Online and Mobile Banking External Transfers service

Deposits made using Quorum's Online and Mobile Banking External Transfers service may have the first \$2,500 made available on the same day of deposit. For Deposits greater than \$2,500, funds in excess of \$2,500 may be made available on the third Business Day following the day of deposit.

5. Member Liability for Deposited Items

Even after the Credit Union has made funds available and those funds have been withdrawn, the member is responsible for deposited checks that are returned unpaid and for any other problems involving the deposit.

6. Longer Delays May Apply

Funds deposited by check may be delayed for a longer period under the following circumstances:

- a. The account is considered a New Membership account (see Special Rules for New Members).
- b. The Credit Union believes a deposited check will not be paid.
- c. The check is being re-deposited after being returned unpaid.
- d. The account has been overdrawn six (6) or more separate or consecutive Business Days within six (6) months.
- e. Checks deposited total more than \$5,000 on any one day.
- f. The funds were deposited at a Quorum Federal Credit Union ATM, on a non-Business Day. These items will not be processed until the next Business Day.
- g. An emergency condition exists.
- h. Mobile deposits total more than \$2,500 on any one day.

The Credit Union will notify the member by mail or e-mail if there is a delay in the ability to withdraw funds for any of these reasons, and when the funds will be available. Funds associated with letters b through e and g above will generally be available on the 7th or 11th day respectively for all checks.

7. Special Rules For New Members

- a. In some cases the Credit Union will accept initial funding of an account(s) by Electronic Funds Transfer (EFT) and/or credit/debit card. The Credit Union will collect these funds by originating

the debit transaction through a third-party service provider. Upon receipt, these funds will be made available.

- b. For the first thirty (30) calendar days after a new membership account has been funded, the policy for same-day availability may not apply; the following rules do apply:
 - (1) All cash and the following first endorsed checks that are made in person to a Credit Union employee: Cashier's checks, Certified checks, Sponsor-related Corporation Payroll checks, Federal, State, and Local Government checks, Official Bank checks, Postal Money Orders, Traveler's Cheques and checks drawn on the Credit Union are available on the day of deposit.
 - (2) All wire transfers and other items deposited by Electronic Funds Transfer (such as direct deposit and ACH origination) are available on the day of deposit.
 - (3) Checks drawn on the Credit Union that are not deposited in person will generally be available by the second business day.
 - (4) For Deposits made using Quorum's Online and Mobile Banking External Transfers service, all funds will be held until the fifth Business Day after the day of deposit.
 - (5) For all other deposits, all funds will be held until the fifth Business Day after the day of deposit.

8. Special Rules For Foreign Items/Collection Items:

- a. Certain items, such as insurance drafts, dealer drafts or checks drawn on a foreign bank, will be handled as a Collection item. Additionally, if certain other deposited items cannot be processed through the normal check processing system, the Credit Union, as an agent, may send them for collection. These collection items include: damaged or mutilated items; checks with provisional instructions or restrictive endorsements; checks drawn on foreign banks and not payable through a U.S. bank; checks not payable in U.S. dollars; and items not properly encoded with MICR numbers located at the bottom of the check.
- b. When an item submitted for collection is finally and irrevocably paid, the account will be credited. This includes Foreign Collection items, which will not be made available until the Credit Union receives U.S. funds.
- c. Collection items are subject to the Credit Union's Fee Schedule. Payment of foreign currency items may be subject to governmental restrictions and could be delayed in collection. The actual currency conversion rate cannot be quoted or specified in advance. Collection items may be subject to payor bank fees.

B. PAYMENT OF DIVIDENDS AND SPECIFIC ACCOUNT CONDITIONS

1. Frequency of Payment and Conditions

The frequency and conditions upon which dividends are paid are in accordance with the Bylaws of Quorum Federal Credit Union and are paid as permitted by the Federal Credit Union Act and applicable regulations. Dividends begin to accrue on the business day you deposit non-cash items (e.g., checks).

2. Calculation

The Credit Union uses the daily balance method to calculate dividends. This method applies the applicable daily periodic rate to the balance in the account each day. Dividends accrue on a 365-day basis beginning on the date of deposit and ending on the date of withdrawal. Dividends are accrued daily and compounded and posted monthly unless specified

in product disclosures sent at the time of account opening. Paid dividends remaining on deposit will earn dividends at the same rate on the same terms. Current dividend rates and balance requirements to open accounts and earn dividends are disclosed on the Credit Union Rate Sheet. Federal Law prohibits the guarantee of dividends since dividends are based on available earnings at the end of the dividend period.

3. SAVINGS ACCOUNTS

All Credit Union savings accounts are variable rate accounts, meaning the dividend rate and annual percentage yield may change after the account is opened. Dividends are earned on balances as disclosed on the Credit Union Rate Sheet and are posted monthly. The dividend rates are subject to change daily and are established by Credit Union Management. Refer to the Credit Union Rate Sheet for current rates.

Product offerings may change from time to time at the sole discretion of the Credit Union.

All Savings accounts are subject to transaction restrictions under Federal Reserve Board, Regulation D, Reserve Requirements of Depository Institutions. The following withdrawal and transfer limitations will apply to transactions you perform on any of your savings accounts:

Basic Savings, Money Management, Mortgage Payment and Name-Your-Own Savings account:

You will be limited to performing an aggregate of six (6) of the following types of transactions per month:

- Transfers made via online and mobile banking, including requests sent via email
- Transfers via VoiceConnect (automated phone system)
- Transfers made over the phone with a Quorum representative
- Pre-authorized automatic transfers
- Overdraft transfers
- Withdrawals by check initiated through online banking, Voice-Connect, over the phone with a Quorum representative, or fax.

Transfers and withdrawals to pay Credit Union Loans are excluded.

a. Basic Savings Account:

Conditions: The minimum balance required to open and to maintain active status and membership is defined on the Rate Sheet.

b. Holiday Club Account:

Conditions: The minimum balance required to open and maintain active status is \$0.01.

The Holiday Club Account renews automatically each year. Dividends and principal deposits are disbursed each year in October. The funds will automatically transfer into a Basic Savings account. There is a fee for early withdrawals (refer to the Credit Union Fee Schedule).

c. Name-Your-Own Savings Account (Secondary Savings)

Conditions: The minimum balance required to open and to maintain active status is \$0.01.

d. Money Management Account:

Conditions: The minimum balance required to maintain active status is \$0.01.

e. Living Trust Account:

The Credit Union will open Trust Accounts that meet all Credit Union requirements. It is your responsibility to seek legal counsel in reference to opening this type of account.

f. Individual Retirement Account (IRA):

Dividends and conditions: See IRA Simplifier and Agreement when issued.

- (1) Member may not pledge any of the savings on deposit in an IRA as collateral security for any loan(s).
- (2) Certain Federal and State penalties may apply to amounts withdrawn from an IRA. These are set forth in the applicable Federal and State laws and regulations.
- (3) There is an administration fee for all premature withdrawals prior to age 59 1/2 and outgoing transfers to another institution as set forth in the Credit Union Fee Schedule.

4. TERM ACCOUNTS

The Credit Union offers Regular Term Accounts with maturities of 3, 6, 12, 18, 24, 36, 48 and 60 months. These accounts will automatically renew at maturity for the same period as the original term unless the funds are withdrawn at or before maturity. At times the Credit Union may offer Promotional Term Accounts (maturities outside of the Regular Terms or terms with special features such as a rate step up or option to step out). These accounts will automatically renew at maturity for the regular term closest to the original term rounded upward unless the funds are withdrawn at or before maturity. The Credit Union will send out notifications at least thirty (30) days before the maturity date and will offer a seven-day grace period beginning on the date of maturity, in order to make changes to the account.

Withdrawals: The principal invested in any term account may not be withdrawn until maturity. If the Credit Union allows a withdrawal of principal prior to maturity, there will be a penalty for any amount withdrawn (refer to the Credit Union Fee Schedule). If the withdrawal causes the principal to fall below the minimum balance required, the term account will be closed and the member will receive the balance less the appropriate penalty. There is no penalty when the withdrawal follows the death of the primary owner of the account.

a. Term Savings Account:

Dividends: Dividends are paid on all funds on deposit for each day the member maintains a balance and are posted monthly.

b. IRA Term Savings Account:

Dividends: Dividends are paid on all funds on deposit for each day the member maintains a balance and are posted monthly.

5. CHECKING ACCOUNTS

The Credit Union is neither obligated to, nor liable for, refusal to pay funds from this account when the account has insufficient funds available or against a stale item (an item presented for payment six (6) months or more past its issue date).

- The Credit Union may pay and charge to an applicable account items drawn by and payable to any persons or organizations that were authorized by providing the magnetic-ink character recognition (MICR) number and account information verbally or otherwise provided there are sufficient and collected funds in the account to pay such items. The Credit Union's rights with respect to such items shall be the same as if it were an item drawn and signed by the member.
- The Credit Union may transfer funds from other Credit Union accounts to pay items. A fee will be assessed as set forth on

the Credit Union Fee Schedule.

- The Credit Union may pay and charge to an applicable account an electronic check conversion (ECK), which is a one-time electronic transfer from a member's account initiated by a check or draft where it is used as a source of information. The Credit Union's rights with respect to such items shall be the same as if it were an item drawn and signed by the member.
- The Credit Union may process and accept checks according to the Check Clearing for the 21st Century Act (Check 21). This law allows the recipient of a paper check to create a digital version, thereby eliminating the need for further handling of the physical document. For further information refer to Part II, Terms and Conditions of Accounts, Substitute Check Disclosure.
- If the Credit Union has made a good faith payment to a holder, the Credit Union may charge the member's account according to the original terms of the check or Automated Clearing House (ACH) entry.
- Authorized account holders may place a Stop Payment of any check (except certified and Cashier's checks as described in Part I. Terms and Conditions Applicable to Ownership, Transactions and Account Documentation) payable against that account, provided such order is timely and affords the Credit Union a reasonable opportunity to place the Stop Payment order on its system prior to the check clearing the account. There is a fee associated with Stop Payments (refer to the Credit Union Fee Schedule). If a Stop Payment order is placed on a check number that includes the dollar amount of the transaction, the Credit Union will also place an Electronic Funds Transfer (ACH) Stop Payment order for the same dollar amount in case the check is presented through Electronic Funds Transfer. There is no fee for an ACH Stop Payment under this circumstance. The Credit Union will mail or e-mail a confirmation notice of the Stop Payment. If there are any questions regarding the Stop Payment or to remove the Stop Payment request, contact the Credit Union immediately by calling (800) 874-5544 or (914) 641-3700. If there are insufficient funds to cover the Stop Payment fee, the account balance will be brought negative.
- If the Credit Union does not properly complete a Stop Payment on time according to our agreement with you, the Credit Union may be liable for your losses or damages. However, there are some exceptions. The Credit Union will not be liable, for instance:
 - If you provide less than three (3) business days for an ACH Stop Payment order prior to the transaction effective date.
 - If the date of the Stop Payment order is greater than six (6) months before presentation of the item for payment, unless the Stop Payment order has been renewed.
 - If the information provided to the Credit Union to process the Stop Payment order is incorrect.
 - If circumstances beyond the Credit Union's control prevent the transfer, despite reasonable precautions taken.
 - There may be other exceptions stated in our agreement with you.
- The Credit Union may without liability accept, pay, guarantee or charge items to an account in any order.
- In the event an item is returned in error, liability shall be limited to the amount of the check. In the event of a returned check or other debit on an account, the Credit Union's determination of whether sufficient funds exist in the account may be made at any time between the time the check is received and the time it is returned.
- In the event an item is presented on a checking account and is delayed or misrouted due to markings placed on the check by

the member or endorser, the member will hold the Credit Union harmless and indemnify it from any liability.

- Member agrees that overdrafts, if paid in excess of funds in any loan or savings account, are payable on demand. If overdrafts are to be covered by a transfer of funds from any of the member's other Credit Union accounts, such transfer(s) will generally be made only if there are sufficient funds on deposit at the time of transfer. The member understands that for each overdraft or transfer, the accounts will be assessed a fee as set forth in the Credit Union Fee Schedule.
- Funds in a checking account may not be pledged as collateral security for any loan(s).
- The Credit Union must be notified immediately if checks are lost or stolen.
- As a convenience, the Credit Union may submit the initial order and reorders for personalized checks to a check vendor. The check vendor will mail the checks either directly to the member and the cost of the delivered checks ordered, plus applicable sales tax and delivery charges, will be charged to the corresponding checking account.
- The Credit Union is not responsible for any delays or errors in processing a check order due to the quality of the checks or the MICR encoding that appears on the checks.
- This is a truncated checking account. Checks are provided with carbonless copies, and are not returned with statements. Check copies are available through Online Banking free of charge or mailed to you by request for a fee (refer to the Credit Union Fee Schedule). If the checks were not ordered through the Credit Union's check vendor, the Credit Union is not responsible for the quality of any check copy received.
- The Credit Union may charge against an account a postdated check at the time it is presented for payment or deposit.
- Any checking account can be closed without prior notice for insufficient funds (NSF) activity, maintaining a negative balance or any reason. In addition, account activity can be reported to a consumer reporting agency.
- All signors must be sixteen (16) years of age to maintain any checking account. Signors below the age of majority (18) must have a joint owner on the account that is at least the age of majority (18).
- A substitute check is the legal equivalent of an original check and the consumer recredit rights apply when a consumer in good faith believes that a substitute check was not properly charged to their account.
- Joint owners may not be removed from Checking account suffixes. Checking account suffixes must be closed.

a. QClassic Checking Account (formerly Regular Checking Account):

Dividends: No dividends are paid.

Conditions: The minimum balance required to open and maintain active status is \$0.01.

b. QChoice Checking Account:

Dividends: Dividends are paid on all funds on deposit and are posted monthly. This is a variable rate account.

Conditions: The minimum balance required to maintain active status is \$0.01; however, QChoice checking accounts will be assessed a maintenance fee each month* that the account does not meet the following requirements:

- (1) Minimum Direct Deposit or Minimum Average Daily Balance*
- (2) eStatements

*The monthly maintenance fee and minimum Direct Deposit and mini-

mum Average Daily Balance amounts are set forth on the Credit Union Fee Schedule.

Account Benefits:

1. **ATM Fee Refund:** QChoice checking accounts will be refunded up to a set amount per month for ATM fees (including but not limited to Quorum usage fees and ATM surcharges from other Financial Institutions). The ATM Fee Refund amounts are set forth on the Credit Union Fee Schedule. Quorum Federal Credit Union makes its best effort to identify those ATM fees eligible for refund, based on information it receives from MasterCard and ATM networks. In the event that you have not received a refund for a fee that you believe is eligible, please call our Member Service Team for assistance at 800-874-5544.
2. **Overdraft Transfers from Savings Automatic Fee Refund:** QChoice checking accounts will be refunded the current Overdraft Transfer from Savings Automatic Fee as set forth on the Credit Union Fee Schedule when funds are transferred from an applicable/designated overdraft source to cover applicable transactions. Quorum has the right to set forth minimum and/or maximum refund amounts.

c. Checking Rewards Account:

Dividends: Dividends are paid on all funds on deposit and are posted monthly. This is a variable rate account.

Conditions: The minimum balance required to maintain active status is \$0.01; however, Checking Rewards accounts will be assessed a maintenance fee as set forth in the Credit Union Fee Schedule each month that the account does not meet the following requirements:

- (1) Direct Deposit
- (2) eStatements

d. Business Account:

(1) In order to open a Business Account, a Business Account Application, Business Account Agreement Form, and W-9 form must be completed.

(2) Any signors listed on the documents will be considered signors of the entire account with equal rights to withdrawals and deposits.

(3) A completed "Resolution Form to Change Person(s) Authorized on Business Accounts" is required for all requests for changes to signors.

(4) There can be transfers or other activity between this account and any other Credit Union deposit accounts, subject to Credit Union rules and requirements.

(5) All persons authorized on the account must be at least eighteen (18) years of age to maintain a Business Account.

(6) There can be no Checking Reserve Overdraft Line-of-Credit attached to this type of account.

(7) Each month the account will be assessed a maintenance fee as set forth in the Credit Union Fee Schedule.

e. Courtesy Pay Disclosure

(1) Service Description

Courtesy Pay is a service whereby the Credit Union may honor and pay checks, Electronic Transfers (ACH) or items by other electronic means such as ATM and Check Card transactions as designated by the Credit Union drawn against insufficient funds so that these items presented against a membership account are not returned unpaid.

(2) Eligibility and Terms and Conditions of Courtesy Pay

A qualifying membership account must be open for thirty (30) days in order to be eligible for this service. Paper or online notices will be sent for each occurrence when the items are paid. Courtesy Pay will only be applied at the Credit Union's discretion and when there are insufficient funds in a checking account after applying other overdraft sources (in-

cluding any loan, line-of-credit or linked accounts) to cover the negative balance. The Credit Union's Courtesy Pay service is a non-contractual courtesy and is discretionary. It is not an obligation of the Credit Union and the Credit Union may refuse to provide the service on any checking account at any time. There is no contractual right to Courtesy Pay and payment of an item is not guaranteed under the Courtesy Pay service. Courtesy Pay may provide certain account holders in "good-standing," as determined by the Credit Union in its sole discretion, with the ability to overdraw their personal checking account up to an amount determined by the Credit Union. The amount that an account may be overdrawn shall be in all cases subject to the Credit Union's discretion. However, as a general guide, and not by way of any contractual agreement, the categories of Courtesy Pay to consider are:

- Members without direct deposit may have up to a \$500 limit
- Members with direct deposit may have up to a \$1,000 limit
- Members with an aggregate balance of \$2,500 or more may have up to a \$1,000 limit

In the event that the Credit Union elects to extend Courtesy Pay, the account must be brought back to a positive balance, (i.e., greater than zero (0)), within thirty (30) calendar days. Failure to do so will affect future Courtesy Pay privileges and could result in account closure. The Credit Union has the right pursuant to its statutory lien and can charge against any balance in any accounts, to recover funds paid through this service. For further information, refer to Part I. Terms and Conditions Applicable to Ownership, Membership Requirements and Terms of Agreement. The Credit Union is not obligated to pay any item presented for payment if the account does not contain sufficient collected funds. However, the Credit Union may pay such an item as a non-contractual courtesy if the account is maintained in good standing, which is at the Credit Union's discretion and may include such things as:

- Making regular deposits sufficient to cover transactions;
- Bringing the account to a positive balance at least once every thirty (30) days or less;
- Not causing the Credit Union a loss;
- Not having any delinquent obligations;
- No legal orders, garnishments, executions, levies, or information subpoenas including bankruptcy notices;
- Not engaging in suspicious or abusive activity; and,
- Maintaining a minimum balance requirement as defined on the Rate Sheet in the Basic Savings account.

Generally, the Credit Union will not pay an overdraft in excess of \$1,000. These limits generally include Paid Non-Sufficient Funds Fees (Paid NSF Fees). When multiple transactions are presented for payment, items will be paid in the order of lowest to highest dollar amount.

(3) Enrollment

Courtesy Pay Standard service for checks and ACH transactions does not require member enrollment; however, members must enroll (opt-in) for everyday ATM and Check Card transactions. Recurring Check Card transactions do not require enrollment. Members who opt in must have a valid mailing address to receive a confirmation notice in the mail. By request, an account can be removed from future Courtesy Pay Standard services. To remove Courtesy Pay Standard service, you may complete and submit the applicable form via the Online and Mobile Bank Service or contact our Member Service Team at (800) 874-5544 or (914) 641-3700. The Credit Union will accept Courtesy Pay Standard enrollment and discontinuation instructions for a Joint Owner on a checking account. If you receive a direct deposit of funds with a statutory protection such as your Social Security payment into your checking account and do not want Courtesy Pay Standard eligibility, you will need to contact us in order to formally stop paying your overdrafts.

(4) Service Limitations and Termination of Service

This service is available, at the Credit Union's discretion, on all checking accounts in good standing. The Credit Union may limit the number of accounts per account holder or per household. The Credit Union

reserves the right to not approve any overdrafts against any account until the account can be verified as being maintained in good standing. The Credit Union reserves the right to change or terminate the Courtesy Pay program at any time without any advance notice.

(5) Account Fees

For items paid using Courtesy Pay, the account will be charged a Paid Non-Sufficient Funds Fee (Paid NSF Fee) per item as set forth in the Credit Union Fee Schedule. If the Credit Union chooses not to pay checks, electronic transfers, or items by other electronic means, the account will be subject to a Non-sufficient Funds (NSF) or Negative Balance fee (when applicable) as published in the Credit Union Fee Schedule. Your periodic statement will separately disclose the total fees charged on your account for paying overdrafts and returning items unpaid for the statement period and for the calendar year-to-date. For questions, call our Member Service Team at 800.874.5544, Monday through Friday, 8:30 a.m. - 7:00 p.m. (ET).

f. Substitute Check Disclosure

Substitute Checks and Your Rights

(1) What Is a Substitute Check?

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

Some or all of the checks that you view through use of the Online Banking service or receive back from us by request may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

(2) What Are My Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (e.g., Non-sufficient Fund Fees).

Under this procedure, the amount of your refund is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within ten (10) business days after we receive your claim and the remainder of your refund (plus interest if your account earns interest) not later than forty-five (45) calendar days after we receive your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

(3) How Do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact the Credit Union at (800) 874-5544 or (914) 641-3700. You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a

timely claim because of extraordinary circumstances.

Your claim must include:

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

PART III. SERVICE DELIVERY DISCLOSURES

A. ATM CARD AND DEBIT MASTERCARD® AGREEMENT AND DISCLOSURE

The following agreement covers the Quorum ATM Card (“ATM Card”), or World Debit MasterCard and Debit MasterCard (“Debit Card”) issued. Acceptance, retention, or use of the Quorum ATM or Debit Cards by any authorized person(s) constitutes the agreement as follows:

1. Service Description

Subject to the capabilities and participating networks of a particular ATM or merchant, the card may be used to:

- a. Withdraw cash from linked checking, savings or Checking Reserve Overdraft Line-of-Credit.
- b. Transfer funds between linked checking and savings accounts.
- c. Deposit money in checking or savings accounts at Quorum ATMs or participating network ATMs that accept Quorum deposits (see ATM locator service).
- d. Purchase goods and services at participating merchants that accept MasterCard. Purchases may be processed through ATM Networks (referred to as a “Debit” transaction with use of a PIN) or the MasterCard Network (referred to as a “Credit” transaction with use of a signature).
- e. Obtain “cash back” at a participating merchant using a “Debit” (PIN) transaction.
- f. Obtain balance information for linked checking and savings accounts.

2. Terms and Conditions

Members agree:

- a. To abide by the rules and regulations of Quorum and participating ATM and credit card networks, as may be amended from time to time, relating to use of the card; these rules and regulations are binding.
- b. The card is the property of Quorum and must be returned to Quorum immediately upon request.
- c. To a total cash withdrawal limit of \$500 using your ATM Card and \$1,000 using your Debit Card from all ATMs each day. Higher limits may be available upon request based on account profile.
- d. To a limit of twenty (20) transactions each day for purchases using your debit card made through the MasterCard network.
- e. The PIN number issued is for security purposes. The number is confidential and should not be disclosed to third parties or recorded on the card.
- f. That Quorum will pay out of an account the total amount of any transaction originated by proper use of the card.

3. Termination of Service

This agreement may be terminated at any time by Quorum or by you, by giving written notice thereof and returning to Quorum all card(s) issued in connection with this agreement.

The card may be closed due to inactivity of 12 months or more at Quorum's discretion without prior notification.

4. Limits of Liability

Lost/Stolen Card

If an ATM Card or Debit Card has been **lost or stolen, or the PIN has been compromised**, contact Quorum's Lost and Stolen Department immediately at (888) 918-7772 to report. Reporting the loss immediately upon discovery can help minimize the financial impact on your accounts and allow Quorum to begin researching the disputed transactions as well as attempt to recover funds. Disputed or fraudulent activity must be reported within sixty (60) days after the statement issue date on which the activity appears. A replacement card fee may apply (refer to Quorum's Schedule at quorumfcu.org).

5. Failure to Make Transfers

Quorum is not financially responsible for any losses incurred due to the following situations:

- If, through no fault of Quorum, the account does not contain enough money to make the transfer.
- If the transfer exceeds the credit line of the Checking Reserve Overdraft Line-of-Credit or exceeds amounts discretionarily paid under Courtesy Pay.
- If the transaction is prevented by the policies, rules or limitations imposed by Quorum, from time to time, such as minimum deposit requirements or verification and collection of deposits.
- If a non-proprietary ATM or POS terminal was not working properly or did not have enough cash.
- If, due to circumstances beyond Quorum's control, the transfer is prevented, despite reasonable precautions taken.

There may be other exceptions stated in our agreement with you.

6. ATM Transaction Fees

Refer to Quorum's Fee Schedule at quorumfcu.org. ATMs not owned by Quorum may charge a fee for a balance inquiry, even if you do not complete a transaction.

7. Foreign Transactions

Purchases and cash advances made in foreign countries and foreign currencies will be billed in U.S. dollars. The conversion rate to dollars as well as foreign conversion fees, plus an International Service Assessment fee of 1% of the international transaction amount, will be made as of the date the transaction is posted to the Account in accordance with the operating regulations for international transactions established by MasterCard.

8. Disclosure of Account Information to Third Parties

Quorum will disclose information to third parties about accounts or transactions:

- a. When it is necessary for completing transfers; or
- b. In order to verify the existence and condition of an account for third party, such as a credit bureau or merchant; or

- c. In order to comply with government agency or court orders; or
- d. If Quorum has written permission; or
- e. Pursuant to Quorum's Privacy Policy.

9. Documentation

You can get a receipt at the time you make any transfer to or from your account using one of our ATMs or point-of-sale terminals. Your electronic funds transfers will also be shown on your monthly account statement.

10. Error Resolution

Refer to Part IV, Error Resolution.

B. ELECTRONIC FUNDS TRANSFER (EFT) AGREEMENT AND DISCLOSURE

1. Service Description

The transfers covered by this Agreement are:

- a. The direct debit of funds, using the Automated Clearing House (ACH), from an account at another Financial Institution that allows electronic transfer transactions (hereafter ACH Origination Debits).
- b. Preauthorized debits and credits initiated by the member and processed through the Automated Clearing House including deposits to, withdrawals from, or transfers between accounts, which are not originated by check (except an electronic check conversion (ECK) as described below), draft or similar paper instrument, and External Transfers and Bill Payment transactions made through the Online and Mobile Banking Service.
- c. Transfers made through the Online and Mobile Banking Service using applicable user identification and/or authentication, including transfers from one Credit Union account to another authorized Credit Union account and loan and credit card payments to the Credit Union made from another Credit Union account.

An ECK is a one-time Electronic Fund Transfer (EFT) initiated using information from a check. A check would be provided to a merchant or other payee to use as a source of information to initiate an EFT from the member's checking account as payment for goods or services. The payee electronically captures the routing, account and serial numbers from the check and initiates a one-time EFT from the member's accounts. This type of transaction is a transfer covered by Federal Reserve Board, Regulation E, Electronic Fund Transfers and deemed not to originate by a check.

An Automated Clearing House system will be used if the Credit Union receives an ACH credit entry into its member's account. ACH credit entries will be governed by the rules of the National Automated Clearing House Association, which states that the ACH credit entry shall be governed by and construed in accordance with the laws of the State of New York.

2. Terms and Conditions

- a. ACH Origination Debits may be initiated under this Agreement subject to the following conditions:
 - (1) There are sufficient funds in the account at the other Financial Institution.
 - (2) These debits comply with the Financial Institution's agreement, which may have additional and/or different transaction limits beyond the control of the Credit Union.

b. ACH Credit and Settlement

Credit given with respect to an ACH Debit entry (debit from another financial institution that is deposited into a Quorum Federal Credit Union account) is provisional until the Credit Union receives final settlement through a Federal Reserve Bank. If a final settlement is not received, the Credit Union is entitled to a refund for the amount credited. All deposits will be provisionally credited subject to subsequent verification and collection.

c. Insufficient funds as a result of ACH Debits

If an ACH debit is initiated from another financial institution and the Credit Union does not receive credit from that financial institution, the Credit Union is authorized to withdraw the amount of insufficient funds from any account the member has at the Credit Union or to process an advance against a loan or any line-of-credit in an amount equal to the amount of insufficient funds plus any applicable fees. The Credit Union may, but is under no obligation to, resubmit the debit and attempt to collect the funds from the financial institution at any time after a debit transaction is rejected or returned. Fees may be assessed if the transaction is denied for any reason. If by following these procedures, the Credit Union is unable to obtain reimbursement, the member must pay the monies they owe including the applicable fees within twenty-four (24) hours.

d. Debit Amounts for ACH Origination Debits

All ACH Origination Debits will be for the amount shown on the Authorization Agreement for Electronic Transfers (ACH Debits) Form unless the member has contacted the Credit Union Call Center and verbally authorized a change. If the debit amount being applied to a loan is greater than what is necessary to bring that loan balance to zero (0), then the amount of funds in excess of what is necessary to bring the loan to a zero (0) balance will be deposited to the Basic Savings account. Debits may continue beyond the maturity date or payoff of the loan, unless notification is made to stop an electronic transfer.

e. Indemnification

You agree that all of the information provided on the Authorization Agreement for Electronic Transfers (ACH Debits) form is true and correct and you agree to indemnify and hold the Credit Union, its agents or assigns harmless from and against any and all claims that arise against the Credit Union, its agents or assigns by reason of having relied on the information provided by you.

3. Stop Payments

a. If you have preauthorized a debit from your account, you can stop any of these debits by calling us at (800) 874-5544 or (914) 641-3700 or writing us at 2500 Westchester Avenue, Suite 411, Purchase, NY 10577. Your request must be received at least three (3) Business Days prior to the scheduled payment date. If you contact us by phone, we may also require you to send a written request within fourteen (14) days of your call. There is a fee associated with Stop Payments (refer to the Credit Union Fee Schedule). If there are insufficient funds to cover the Stop Payment fee, the account balance will be brought negative.

If these preauthorized debits may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount will fall

outside certain limits that you set.)

The Credit Union will mail or e-mail a confirmation notice of the Stop Payment. If there are any questions regarding the Stop Payment or to remove the Stop Payment request, contact the Credit Union immediately by calling (800) 874-5544 or (914) 641-3700.

- b. Failure to Make Stop Payments: Refer to section 6 below, Limits of Liability

4. Termination or Amendment of Service

At any time the Credit Union may terminate a right to make electronic transfers, amend the terms of this Agreement or cancel this Agreement. To cancel this service, the Credit Union must be notified at least three (3) Business Days or more before any payment is scheduled to be made.

5. Fees

There are no fees from the Credit Union to initiate ACH Debits or for the use of Credit Union-owned ATMs. Please refer to the Credit Union Fee Schedule for non-sufficient fund charges associated with "returned" ACH debit transactions. The Financial Institution may charge transaction fees.

6. Limits of Liability

If the Credit Union does not place a stop payment or complete a transfer to or from your account on time or in the correct amount according to our agreement with you, the Credit Union may be liable for your losses or damages. However, there are some exceptions. The Credit Union will not be liable, for instance:

- a. If you provide less than three (3) business days for an ACH Stop Payment order prior to the transaction effective date.
- b. If the date of the Stop Payment order is greater than six (6) months before presentation of the item for payment, unless the Stop Payment order has been renewed.
- c. If the information provided to the Credit Union to process the Stop Payment order is incorrect.
- d. If, through no fault of the Credit Union, there are not enough funds in the account to make the transfer or if the transfer would go over your credit limit on your overdraft line or exceed amounts discretionarily paid under the Courtesy program.
- e. If the funds in such account are restricted by legal process, assignment, claim, encumbrance or other prohibitions against withdrawal.
- f. If the transaction is prevented by policies, rules, or limitations imposed by the Credit Union, from time to time, such as a minimum balance requirement or verification and collection of deposits.
- g. If the ATM was not working properly.
- h. The fault lies with the member.
- i. If circumstances beyond the Credit Union's control prevent the transfer, despite reasonable precautions taken.
- j. There may be other exceptions stated in our agreement with you.

7. Disclosure of Account Information to Third Parties

The Credit Union will disclose information to third parties about accounts or transactions:

- a. When it is necessary for completing transfers; or
- b. In order to verify the existence and condition of an account for a third party, such as a credit bureau or merchant; or

- c. In order to comply with government agency or court orders; or
- d. If the Credit Union has written permission; or
- e. Pursuant to the Credit Union's Privacy Policy.

8. Documentation

Documentation of transfers will be reflected on periodic statements provided by the Credit Union in accordance with Federal Reserve Bank Regulation E, Electronic Fund Transfers. A paper receipt will be available at Credit Union-owned ATMs. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, the person or company making the deposit will tell you every time they send us the money.

9. Business Days

Business Days are Monday through Friday, excluding Federal and Credit Union holidays.

10. Error Resolution

For additional information, refer to Part IV, Error Resolution. If you believe that an electronic fund transfer has been made without your permission, including a transfer using information from your check, contact the Credit Union immediately at (800) 874-5544 or (914) 641-3700.

Contact the Credit Union immediately if your PIN has been lost, stolen or used without permission. Telephoning is the best way to keep your potential loss to a minimum. If you notify us within two (2) Business Days, your liability will not exceed \$50 if your PIN was used without your authorization. If you fail to notify us within two (2) Business Days of learning of the loss or theft of your PIN, and we can prove you could have prevented someone from using it without your authorization, your liability could increase to as much as \$500. If your monthly statement reflects any unauthorized transfers, you must contact the Credit Union within sixty (60) days of the statement mail date. Failure to do so may result in the inability to recover any funds lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money had you told us within the required timeframe. These time periods may be extended at the Credit Union's discretion.

C. VOICECONNECT SERVICE AGREEMENT AND DISCLOSURE

1. Service Description

Members may access their accounts through VoiceConnect. VoiceConnect may be used from any touch-tone service phone in the United States with a Personal Identification Number (PIN).

2. Terms and Conditions

a. Functionality

VoiceConnect may be used to conduct a variety of transactions on eligible accounts, e.g. balance inquiries or transfers, by calling (800) 874-5544, 24 hours a day, seven days per week.

b. Account Security

A Personal Identification Number (PIN) is required to access VoiceConnect. Should the member disclose this information to any third party, the member is responsible for all transactions initiated by his or her PIN.

c. Disclosure of VoiceConnect Transactions:

Documentation of VoiceConnect transactions will be recorded on the periodic account statement provided by the Credit Union.

3. Disclosure of Account Information to Third Parties

The Credit Union may disclose information to third parties about accounts or transactions:

- a. When it is necessary for completing transfers; or
- b. In order to verify the existence and condition of an account for a third party, such as a credit bureau or merchant; or
- c. In order to comply with government agency or court orders; or
- d. If the Credit Union has written permission; or
- e. Pursuant to the Credit Union's Privacy Policy.

4. Termination or Amendment of Service

The Credit Union may amend the features of or terminate this service and/or amend the terms of this Agreement at any time.

5. Fees

There are no charges for use of VoiceConnect at this time; however, the Credit Union reserves the right to institute charges at any time in the future. If charges are to be assessed for this or any other service, notification will be made of the nature of the charges and when they become effective.

6. Limits of Liability

a. Lost/Stolen PIN

If a PIN has been obtained by an unauthorized person, contact the Credit Union during normal business hours at (800) 874-5544 or (914) 641-3700 to restrict VoiceConnect access. 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 any. If you notify us within two (2) Business Days after you learn of the loss or theft, you have no liability. If you fail to notify us within two (2) Business Days of learning of the loss or theft of your PIN, and we determine we could have prevented unauthorized use, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, notify us at once. If you fail to notify us within sixty (60) days after that statement was sent to you, you may not get back any money you lost after the sixty (60) days if we determine that we could have stopped someone from taking the money if you had notified us in time. Your PIN can be changed at any time by selecting the appropriate option from the VoiceConnect menu.

b. Failure to Make Transfers:

If the Credit Union does not complete a transfer to or from an account on time, or for the correct amount according to the agreement, the Credit Union may be liable for your losses or damages. However, there are some exceptions. The Credit Union will not be liable, for instance:

- (1) If, through no fault of the Credit Union, there are not enough funds in the account to make the transfer or if the transfer would go over your credit limit on your overdraft line.
- (2) If the funds in such account are restricted by legal process, assignment, claim, encumbrance or other prohibitions against withdrawal.
- (3) If the transaction is prevented by policies, rules, or limitations imposed by the Credit Union, from time to time, such as a minimum balance requirement or verification and collection of deposits.
- (4) The fault lies with the member.

- (5) If circumstances beyond the Credit Union's control prevent the transfer, despite reasonable precautions taken.
- (6) There may be other exceptions stated in the Credit Union's agreement.
- (7) If VoiceConnect was not working properly.

7. Error Resolution

Refer to Part IV, Error Resolution.

D. WIRE TRANSFER AGREEMENT AND DISCLOSURE

1. Service Description:

The Credit Union offers a funds transfer service that enables members to transfer funds by wire from specific member account(s) to any other account(s) specified by the member, whether such accounts are at the Credit Union or another financial institution. Members may initiate a funds transfer by contacting the Credit Union. The member selects the day the funds transfer should occur and the Credit Union will, subject to the terms and conditions set forth herein, send the funds transfer on the designated date in accordance with the instructions outlined by the member.

2. Terms and Conditions

- a. This agreement and notice apply to each funds transfer (sometimes referred to as "wire transfer") as defined in Article 4A of the Uniform Commercial Code ("UCC Article 4A") and as covered by Regulation J of the Board of Governors of the Federal Reserve System ("Regulation J").
- b. UCC Article 4A and Federal Reserve Board, Regulation J, Check Collection and Funds Transfer establish a comprehensive legal framework covering the duties, responsibilities and liabilities of all parties involved in a funds transfer. Member irrevocably submits to the jurisdiction of any state or federal court sitting in Westchester County, New York, and agrees that in any action brought hereunder venue shall be placed in such county and that member will not claim that such forum is inconvenient. Using the Credit Union to send or receive wire transfers shall constitute acceptance of this agreement.
- c. The party whom the member is transferring the funds to is the "Beneficiary." The bank or financial institution at which the Beneficiary maintains the account to which the funds are being transferred or the bank disbursing the funds to the Beneficiary is the "Beneficiary Bank." The entire series of transactions, commencing with the request for a wire transfer, up until and including the payment to the Beneficiary shall be referred to as a "funds transfer." The instruction to the Credit Union to pay a sum of money to a Beneficiary is referred to herein as a "Payment Order."
- d. Cutoff Times/Execution
The Credit Union may establish or change from time to time cutoff times for the receipt and processing of funds transfers requests, amendments or cancellations. Unless other times are posted for various types of funds transfers, the cutoff time will be at 2:30 p.m. ET on each weekday that the Credit Union is open which is not a holiday. Payment Orders, cancellations or amendments received after the applicable cutoff time may be treated as having been received on the next Business Day and processed accordingly.
- e. Waiver, Severability and Captions
The Credit Union may delay exercising its rights without losing them. Any waiver or partial exercise of one right is

not a waiver of other rights and shall not be deemed a continuing waiver. If any provision of this agreement is held invalid or unenforceable to any extent, the remainder of this agreement shall not be impaired or otherwise affected. The captions herein are for convenience only and shall have no effect upon construction or interpretation of any provision hereof.

f. Security Precautions

When a Payment Order is issued by a member, the Credit Union's security procedure may involve use of identification methods that may include photo identification requirements, signature verification, data/password verification, use of a personal identification number, and/or callback procedure by the Credit Union. In certain situations, some or all of the above may be required. The security procedures established hereunder are commercially reasonable and you agree to comply in all respects with such procedures. Members may choose not to allow outgoing funds transfers on their accounts by contacting the Credit Union. Members who have chosen not to allow funds transfers on their account can reinitiate the service by contacting the Credit Union. (Requests not to allow funds transfers are not accepted through Online and Mobile Banking Service.)

3. Fees

- a. The Credit Union may charge an account(s) for:
 - The amount of any funds transfer initiated by any person authorized to the account from which the funds transfer is to be made,
- b. Any "Wire Transfer Recurring Fees" (refer to the Credit Union Fee Schedule),
- c. Any additional applicable fees for wire transfers set forth in the Credit Union Fee Schedule. All fees are subject to change from time to time at the discretion of the Credit Union.

4. Termination of Service

The Credit Union may terminate this agreement with or without cause by giving thirty (30) days prior written notice. Notwithstanding the foregoing, the Credit Union may terminate this agreement immediately at any time upon notification to the member, if (i) Credit Union has a reasonable concern about a funds transfer or a possible loss that might be suffered by the Credit Union, (ii) member has breached or may breach this agreement, or (iii) Credit Union becomes aware of information which may indicate illegal or improper transactions.

5. Limits of Liability

- a. Inconsistencies Between Name and Account Number
 - A member will be responsible to the Credit Union if the funds transfer is completed on the basis of the identification number provided, even if the number identifies a person different than the named Beneficiary. A member will be responsible for any loss or expenses incurred by a receiving Beneficiary Bank that executes or attempts to execute the Payment Order in reliance on the identifying number provided.
- b. Duty of Ordinary Care
 - In executing any Payment Order, the Credit Union may use the service of correspondent and intermediary banks. The Credit Union uses ordinary care in the selection of a bank and in the transmission of the message and funds, however, once the funds have been given to the designated or correspondent bank, they become the bank's property. It becomes the bank's responsibility to locate, identify and

make payment to the recipient. The Beneficiary Bank may deduct certain service charges from the amount sent.

- c. Rejection of Funds Transfer/Liability of the Credit Union
The Credit Union reserves the right to reject a Payment Order. The Credit Union may reject an order if there are insufficient funds in an account, if the order is incomplete or unclear or for any other reason. While the Credit Union will handle a Payment Order as expeditiously as possible, the Credit Union will not be responsible for any delay, failure to execute or mis-execution of the order due to circumstances beyond reasonable control.

6. Errors/Delays

Within ninety (90) days after notification has been received that the Payment Order has been executed, the Credit Union must be notified of any errors, delays or other problems related to the order. In the event that the funds transfer is delayed or erroneously executed and a loss is suffered as a result of the Credit Union's error, its sole obligation is to pay or refund such amounts as may be required by applicable law. If the Credit Union becomes obligated under Article 4A to pay interest, the rate of interest to be paid shall be equal to the dividend rate on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

E. CREDIT UNION WEBSITE AGREEMENT AND DISCLOSURE

1. Service Description

The Credit Union makes information about its products and services available to members through its website, quorumfcu.org.

2. Terms and Conditions:

a. Web Content and Materials

The information and materials contained on the Credit Union website and the terms and conditions of the access to and use of such information and materials are subject to change without notice. Not all products and services may be available in all geographic areas. Eligibility for particular products and services is subject to final Credit Union determination and acceptance.

The Credit Union and its suppliers may discontinue or make changes in the information, products or services described on the website at any time. Any dated information is published as of its date only, and the Credit Union does not undertake any obligation or responsibility to update or amend any such information. The Credit Union reserves the right to terminate any or all website offerings without prior notice. Furthermore, by offering information, products or services via a World Wide Website, no solicitation is made by the Credit Union to any person to use such information, products or services in jurisdictions where the provision of such information, products or services is prohibited by law.

b. Links to Other Sites

Links to non-Credit Union websites are provided solely as pointers to information on topics that may be useful, and the Credit Union has no control over the content on these sites. If a link is accessed to a website not controlled by the Credit Union, the Credit Union makes no warranties, either expressed or implied, concerning the content of such a site, including the accuracy, completeness, reliability or suitability thereof for any particular purpose, nor warrant that such site or content is free from any claims of copyright, trademark or

other infringement of the rights of third parties or that such site or content is devoid of viruses or other contamination. The Credit Union does not guarantee the authenticity of documents on the Internet. Links to non-Credit Union sites do not imply any endorsement of or responsibility for the opinions, ideas, products, information or services offered at such sites, or any representation regarding the content at such sites.

3. Service Limitations

Product offers, rates, terms, and other information provided on the website are subject to change without notice. The Credit Union may discontinue or make changes to the information, products or services described on the website at any time. The Credit Union reserves the right to terminate any or all web offerings without prior notice. Due to occasional inaccessibility to the website, the Credit Union cannot guarantee completeness or accuracy of the information provided on the website. The Credit Union reserves the right, in its sole discretion and without any obligation, to correct any error or omissions in any portion of the services, product or materials.

4. Limits of Liability

Because of the possibility of human and mechanical error as well as other factors, the Credit Union is not responsible for any errors in or omissions from information contained in or accessed through the website. All such information is provided "as is" without expressed or implied warranties of any kind including the warranties of merchantability, non-infringement of intellectual property or fitness for any particular purpose. Furthermore, the Credit Union will not be liable for any delay, difficulty in use, inaccuracy of information, computer viruses, malicious code or other defect on the website, or for the incompatibility between the website's files and a browser or other site accessing program. Nor will the Credit Union be liable for any other problems experienced due to causes beyond its control. No license is implied in these disclaimers.

PART IV. ERROR RESOLUTION

Additional information may be found in individual service agreements.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or questions. For new accounts, we may take up to twenty (20) Business Days to credit your account for the amount you think is in error.

We will tell you the results within three (3) Business Days after we finish the investigation. If we decide there was no error, we will send you a written explanation. You may ask for copies of documents that we used in our investigation.

If either of us has any dispute or disagreement with the other regarding this Agreement that we cannot resolve amicably, both parties agree that the sole and exclusive remedy shall be binding arbitration in accordance with the then-current rules and procedures of the American Arbitration Association.

PART V. PRIVACY NOTICE DISCLOSURE

Quorum Federal Credit Union, your member-owned financial institution, is committed to providing financial products and services to meet your needs and reach your financial goals. We are equally committed to protecting our members' privacy; you can be confident that your financial privacy is our priority. We are required by law to give you this privacy notice to explain how we collect, use and safeguard your personal financial information. If you have any questions, please contact a Member Service Representative at (800) 874-5544 or (914) 641-3700.

FACTS	WHAT DOES QUORUM 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(s) or service(s) you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number • Residence and contact information • Employment information and income • Account balances and payment history • Credit history and credit scores • Debit history and debit scores <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Quorum chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Quorum 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	Yes
For joint marketing with other financial companies	Yes	Yes
For our affiliates' everyday business purposes – information about your transactions and experiences	No	N/A
For our affiliates' everyday business purposes – information about your creditworthiness	No	N/A
For our affiliates to market to you	No	N/A
For non-affiliates to market to you	Yes	Yes

To Limit Our Sharing	<p>Call (800) 874-5544 or (914) 641-3700</p> <p>Please note:</p> <p>If you are a new member, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our member, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>
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Questions?	<p>If you have any questions, please contact a Member Service Representative at (800) 874-5544 or (914) 641-3700.</p>
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Who we are	
Who is providing this notice?	<p>Quorum Federal Credit Union 2500 Westchester Avenue, Suite 411 Purchase, NY 10577</p>

What we do	
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How does Quorum protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>To protect our members' privacy, we only work with companies who agree to maintain strong confidentiality protections and limit the use of information we provide. We do not permit these companies to sell the member information we provide to other third parties.</p> <p>We restrict access to nonpublic personal information about you to those employees who have a specific business purpose in utilizing your data.</p> <p>Our employees are trained in the importance of maintaining confidentiality and member privacy. We maintain physical, electronic and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your nonpublic personal information.</p>
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How does Quorum collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • Open an account • Pay your bills • Apply for a loan <p>We also collect your personal information from others, such as consumer reporting agencies (credit and debit bureaus), affiliates, or other companies.</p>
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Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes – information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
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Definitions	
Affiliates	Quorum Federal Credit Union has no affiliates.
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <p>Non-affiliates we share with can include :</p> <ul style="list-style-type: none"> • Data processors • Loan servicing companies • Credit card companies • Collection agencies • Insurance companies
	<ul style="list-style-type: none"> • Marketing companies • Credit counseling associations • Member support centers
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Quorum may disclose all of the information we collect, as described previously and permitted by law, to companies that perform marketing services on our own behalf or to other financial institutions with whom we have joint marketing agreements. • If you terminate your membership with Quorum Federal Credit Union, we will not share information we have collected about you, except as permitted or required by law. <p>Our joint marketing partners include:</p> <ul style="list-style-type: none"> • Vacation ownership companies

Other important information

- Quorum may also disclose non-public personal information about you under other circumstances as permitted or required by law. These disclosures typically include information to process transactions on your behalf, conduct the operations of our Credit Union, to follow your instructions as you authorize, protect the security of our financial records or comply with court orders.
- If you terminate your membership with Quorum Federal Credit Union, we will not share information we have collected about you, except as permitted or required by law.
- Cookies are pieces of information stored directly on the computer you are using. Quorum Federal Credit Union utilizes browser-based secure cookies and Adobe Flash shared objects containing an individualized credential (ID), which are stored on your computer to authenticate a user upon login to Online and Mobile Banking Service. These cookies and Flash shared objects are only used to support your Online Banking activities. We do not disclose this information to nonaffiliated third parties.

If your browser is not set up to accept cookies or you are using a computer that is not yet enrolled in Online Banking, because you did not enroll yet or you cleared your cookies since enrolling, you will be required to complete a multifactor or layered authentication process to verify your identity.

How You Help Protect Your Privacy

The Credit Union is committed to protecting the privacy of its members. Members can help by following these simple guidelines:

- Protect account numbers, card numbers, Personal Identification Numbers (PINs), Login IDs, passwords, and any other login credentials. A PIN should never be kept with an ATM/check or credit card, which can provide access to accounts if the card is lost or stolen.
- Use caution when disclosing account numbers and personal information including Social Security numbers to other persons by phone or e-mail request. Official Credit Union staff will have access to information and will not need to ask for it.
- Keep your information with the Credit Union current. If fraudulent or unauthorized activity or use of an account is detected, the Credit Union will attempt to contact the member immediately.
- Inform the Credit Union if you have been the victim of fraud.
- Utilize additional security features offered by the Credit Union to secure your account, in Online Banking to authenticate your login to quorumfcu.org.

Quorum

FEDERAL CREDIT UNION

2500 Westchester Avenue, Suite 411, Purchase, New York 10577
(914) 641-3700 • Fax: (914) 641-3730

(800) 874-5544
quorumfcu.org

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government.

NCUA

National Credit Union Administration, a U.S. Government Agency