

**Thank you for choosing Hanscom Federal Credit Union!**

The Disclosure for Business Accounts (collectively referred to as this “Agreement”) contains the rules for your business membership and business accounts at Hanscom Federal Credit Union (HFCU). This Agreement covers many of the features and services available for your accounts, including Electronic Funds Transfer Services, Automated Teller Machines (ATMs) and Debit Cards.

**This Agreement does not govern Personal Accounts.**

HFCU offers certain deposit-related services (such as overdraft protection, online and mobile banking) that are covered by separate agreements. Aspects of your account relationship with us not covered by the rules and regulations in this Agreement or by other agreements between you and us will be governed by our usual banking practices and by applicable law.

**THIS AGREEMENT CONTAINS AN ARBITRATION PROVISION, A CLASS ACTION WAIVER, AND A JURY TRIAL WAIVER. IT IS IMPORTANT THAT YOU READ THE ENTIRE DISPUTE RESOLUTION PROVISION CAREFULLY.**

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## I. Important Definitions

Throughout this document, “Agreement” refers to this Disclosure for Personal Accounts and any related attachments and amendments.

“You” and “your” refer to a member who has an account with us for business purposes or anyone else with authority to deposit, withdraw, or exercise control over the funds in your account.

“We,” “us,” “our,” and “HFCU” refer to Hanscom Federal Credit Union.

“Business Days” refers to all days except Saturdays, Sundays, and federal holidays.

“Cutoff Times” refers to the time on a business day after which any transactions or other activity is considered to have occurred on the next business day.

## II. Your Account with Us

### Opening Your Membership

You can open a business membership in person at any HFCU branch, or through any other channel we make available over time. When you open a membership, you agree to be bound by the rules and regulations in this Agreement. You represent that you have the authority to open and conduct business on this account on behalf of the entity or organization. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

You should retain a copy of this Agreement and all amendments for your records.

Your membership includes a Business Investment account. You must complete payment of one share (\$25.00) and maintain this balance in your Business Investment account as a condition of admission to and continuation of membership. The par value of a share in this account is \$25.00. Your membership and/or additional shares are not considered “open” until funded.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**What this means for you:** When you open your membership, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**You agree to notify us promptly in writing of any changes that occur within your business, such as, ownership, authorized signers, business purpose, expected transaction activity or any other changes may alter your business profile with us.**

### Opening Additional Accounts under an Existing Membership

After a membership is opened, members may open additional accounts online, over the phone, or in person at any HFCU branch, or through other channels we make available over time. When opening an additional account under an existing membership, you agree to provide and/or validate any identifying documents or information that we require to identify you.

## Fiduciary Accounts

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders.

You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

### Address or Name Changes

You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders.

Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

## III. Accessing and Using Your Account

### Deposits

You can make deposits to any of your accounts by mail or in person at a branch office or through other methods we may also make available for your convenience. We have the right to supply missing indorsements on any noncash items submitted for deposit to your account and to deposit them in your account. We also have the right to limit, refuse, or return any item. We have the right to charge back your account if we have given you credit for an item that is returned to us unpaid. You authorize us to attempt to collect previously returned items without giving you notice.

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned.

Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip.

### Withdrawals

The rules for making withdrawals vary according to the type of account you have. Withdrawals from any of your personal deposit accounts can be made at any of our branch offices. We may also make other methods of withdrawal available to you for your convenience. As required by federal regulations, we reserve the right to ask for seven (7) calendar days' written notice before you withdraw money from any account that may earn a dividend. Any request for a withdrawal that exceeds the available balance in your account would constitute an "overdraft" and will be governed by the provisions relating to Overdrafts outlined in this Agreement.

## Checks

You agree that we may pay checks drawn on your account that are presented to us for payment, regardless of the date of the check, including postdated checks. We may pay checks that are presented more than six (6) months after the date of the check and are not subject to a current stop payment order, but we are not obligated to do so.

If you use a check to withdraw money from your account, the check must be on a preprinted form that we have supplied to you or on a form that meets our check encoding standards. We will not be required to accept checks that do not meet these standards. We will not be bound by or obligated to comply with any notation, memorandum or restrictive indorsement on a check unless we have agreed in advance to do so. You promise to notify us immediately if any check is not delivered or is lost or stolen. All items must be endorsed exactly as drawn. You will be liable for any losses or delays caused by nonconforming endorsements or by other marks on the back of a check that make our indorsement or any other institution's indorsement difficult to read.

## Check Cashing

We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint. You agree that we may refuse to cash a check and such refusal will not constitute wrongful dishonor of your check.

## ACH and Wire Transfer

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

## Direct Deposits

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

## Statements

We send statements for all accounts. Your statement will be sent monthly or quarterly, depending on the type of account you have and the services you use. We will send your statements to the address we have for you in our records, unless you have requested and we have approved another means of delivery. If any statement is returned to us because of an incorrect or otherwise undeliverable address, we may stop sending statements to you until you provide a correct and deliverable address.

## Overdrafts

A request for a withdrawal of any kind that exceeds the available balance in your account at the time that the withdrawal is processed is deemed to be an “overdraft” and is governed by the provisions in this section. You agree that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. It is not incumbent on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you.

You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts.

## Non-Sufficient Funds Transactions

We are not obligated to pay any item presented for payment if the item exceeds the available balance in your account. Any discretionary payment (or other negotiation or processing) by us of any non-sufficient fund check or checks (or other item) does not obligate us to pay any additional non-sufficient fund check or item or to provide prior notice of its decision to refuse to pay any additional nonsufficient fund check or item.

You agree that we may charge a Non-Sufficient Funds (NSF) fee for returning or rejecting transactions presented against your account that would exceed the available balance in your account. You further agree that we may charge an NSF fee each time a transaction is presented or submitted for payment even if the same transaction is presented for payment multiple times. For example, if you wrote a check to a vendor (or other individual or entity) who submitted the check to us for payment and we returned the check (resulting in an NSF fee), the vendor may re-present the check for payment again (or may convert the check into an ACH debit and submit the transaction for payment). If the second and any subsequent presentments or submissions are returned unpaid, we may charge a fee for each time we return or reject the transaction. You understand this means you could be charged multiple fees for one check that you wrote as that check could be presented (including as an ACH debit) and returned more than once. Similarly, if you authorize a vendor (or other individual or entity) to electronically debit your account, such as an ACH debit, you understand there could be multiple submissions of the electronic request which could result in multiple fees. You agree that the Credit Union does determine whether and when a transaction will be presented or submitted for payment. Rather, the Credit Union determines whether or not the available balance is sufficient to pay a presented or submitted transaction.

## No Two-Signature Requirements

We do not offer accounts on which two (2) or more signatures are required for a check or withdrawal. If you indicate on your checks or signature card or other account documents that more than one (1) signature is required for withdrawal, this indication is for your own use and is not binding on us. We may pay out funds from your account if the check, item, or other withdrawal instruction is signed or approved by any one of the persons authorized to sign on the account. We are not liable to you if we do this.

## Stop Payment

We may accept an order to stop payment on any item from any one of you. You must make any stop payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before the item is presented. Your stop payment order must provide us with sufficient information to identify the appropriate item through an automated means, minimally the account number and check number. If the information that you give us is not correct, or if you do not give us any other reasonable information that we ask for about the check or debit, or if you do not give us the information within a reasonable time before the check or debit is presented, we will not be responsible if we are not able to stop it. You may stop payment on any item drawn on your account whether you sign the item or not.

Stop payment orders are effective for six (6) months. Your order will lapse after that time if you do not renew the order before the end of this period. We are not obligated to notify you when a stop payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

We are not obligated to accept a stop payment order on any cashier's check, treasurer's check, certified check, or money order. If we agree to do so, we may first require you to post a surety bond indemnifying us for any potential damages and/or file a declaration of loss in any form we reasonably request.

## Check Processing

We use automated systems in the processing of checks in order to handle a high volume of items at the lowest possible cost to you. You agree that, to the extent such systems are comparable to those used in general banking practice, their use will constitute ordinary care, and we will not be liable to you for forgeries or alterations not detected by such systems. You also agree that the exercise of ordinary care will not include detecting forgeries or alterations that could not be detected by an ordinary person acting with reasonable care.

## Legal Actions Affecting Your Account

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if the available balance is insufficient to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

## Instructions Received by Telephone

Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

## Monitoring and Recording Telephone Calls

Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

## Express Consent for Telephone Calls

Any time you provide us with a telephone number (including for a landline, cellular, VOIP, or any other form of telephone device), you are expressly consenting that we may use that number to contact you and that we may allow service providers who assist us in providing account services to you to use that number to contact you. We may contact you by any method, including voice call, autodialed call, prerecorded call, text messages, and other methods, even if you may incur charges from your phone provider when we do. We may contact you about any account or service you have with us.



You represent that you have the right to grant consent to use your contact information as stated in this paragraph. You may revoke your consent to be called by us by contacting us in any of the ways listed in the 'How to Contact Us' section of this Agreement. However, certain services can be offered only if we can call you. We may close your account or terminate individual services if we do not have a current number at which we are authorized to call you.

### Facsimile Signatures

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

### Right of Set-Off

If you ever owe us money and it is due, we may, to the extent we have a right under the law or under an agreement with you, use the money from any of your accounts with us (including joint accounts) to pay the debt, even if withdrawing the money results in an interest penalty to you. If your joint account holder owes us money and it is due, we may also use the money from your joint account to pay the debt. The use of your funds to pay a debt owed by you or your joint account holder is referred to as our right of "set-off." Any garnishment or levy against your account is subject to our right of set-off within applicable laws.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity, or (d) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

### Our Right to Change This Agreement

We can change our bylaws or the rules or any of our agreements with you at any time. If we change the rules on the frequency of compounding or crediting dividends, grace periods, or minimum balance requirements, or if we change any of our fees, charges, or penalties that we are required to include in this Agreement by applicable law and the change is unfavorable to you, we will send you a notice in writing or by any other method permitted by law at least 30 calendar days before the change becomes effective for your account. We do not have to notify you in advance, however, if the change is necessary for security reasons or if the change is favorable to you.

During the term of a Share Certificate Account, we will not change the rules on the frequency of compounding or crediting dividends, the minimum balance requirements that apply to the account, or the rate of dividend or annual percentage yield (unless you have been notified that the account is subject to a variable rate of dividends). If we change any of the other information that we are required to include in this brochure by applicable law, we will either send you a notice or post a notice in our main office and in all our branches. If there is a conflict between any of the information in this brochure and something said by one of our employees, the terms of this Agreement will control. You agree to this method of settling

any differences. No waiver by us of any term of our Agreement with you on any one occasion will constitute a waiver of such term on any other occasion.

If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

## Our Right to Terminate

We may close your account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items and charges to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the account closure becomes effective. At our option, we may suspend your rights to member services if you violate the terms of this agreement.

## Member Expulsion

We may terminate your Hanscom Federal Credit Union ("Hanscom" or "the credit union") membership in one of three ways. The first way is through a special meeting. Under this option, we may call a special meeting of the members, provide you an opportunity to be heard, and obtain a two-thirds vote of the members present at the special meeting in favor of your expulsion. The second way to terminate your membership is under a nonparticipation policy given to each member that follows certain requirements. The third way to terminate your membership is by a two-thirds vote of a quorum of the directors of the credit union for cause.

Cause is defined as follows:

- A substantial or repeated violation of Hanscom Federal Credit Union's Disclosure for Personal Accounts.
- A substantial or repeated disruption, including dangerous or abusive behavior, to the credit union's operations
- Fraud, attempted fraud, or a conviction of other illegal conduct that a member has been convicted of in relation to Hanscom Federal Credit Union, including in connection with our employees conducting business on behalf of us.

Before the board votes on an expulsion, Hanscom must provide written notice to your mail address (or email, if applicable) on record or personally provide the written notice. Hanscom must provide the specific reasons for the expulsion and allow you an opportunity to rebut those reasons through a hearing if you choose. It is your responsibility to keep your contact information with Hanscom up to date, and to open and read notices from the credit union. Unless Hanscom determines to allow otherwise, there is no right to an in-person hearing with the board. If you fail to request a hearing within 60 calendar days of receipt of the notice, you will be expelled. You may submit any complaints about your pending expulsion or expulsion to NCUA's Consumer Assistance Center if the complaint cannot be resolved with the credit union.

Hanscom will confirm any expulsion with a letter with information on the effect of the expulsion and how you can request reinstatement. Expulsion or withdrawal from membership does not relieve a member of liability to the credit union, and we may demand immediate repayment of the money you owe to us after expulsion, subject to any applicable contract terms and conditions. For additional information on expulsion and a copy of our expulsion policy, see Article XIV of our Bylaws.

## Your Duty to Monitor and Protect Your Account

You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The

loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error – such as an encoding error. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours. Please refer to the Electronic Funds Transfers section of this Agreement to determine your notification obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

## Notices

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file or at the time an electronic message is sent to your e-mail address on file.

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

## IV. Funds Availability Policy

This policy applies to all transaction accounts and share savings accounts. Our funds availability policy complies with all federal regulations and, in some cases, gives you availability of funds from your accounts sooner than is required by law.

Timing of funds availability varies based on the category of deposited item received and the channel through which it was received and is counted in business days from the day we receive your deposit. Before funds from a deposit are made available, you may not withdraw the funds in cash and we are not required to use the funds to pay checks that you have written or to satisfy any other type of debit.

Our general funds availability schedule is as follows:

### **Immediate Availability**

Funds from the following deposits will be available immediately upon receipt of the deposit:

- Cash
- U.S. Treasury Checks that are payable to you.
- Wire transfers.

- Checks drawn on us.
- State and local government checks that are payable to you.
- Cashier's, certified and teller's checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders that are payable to you.
- Your own personal checks up to \$300.00.
- Commercial and second party personal checks up to a total of \$300.00 that are payable to you.
- Payroll checks that are payable to you.
- Electronic direct deposits.

### **Next Business Day Availability**

Any deposited items categorized as an Immediate Availability item that is not deposited in person to one of our employees (for example, if you use an ATM) will be available on the second business day after the day we receive your deposit.

### **Other Check Deposits Subject to Second-Day Availability**

All other checks not otherwise designated in the Immediate Availability or Next Day Availability sections of this Agreement will be made available as follows:

- The first \$225 will be available on the first business day after the day of your deposit.
- The remaining funds will be available on the second business day after the day of your deposits.

The act of making funds available for your use does not mean the deposited items have been collected and paid. In the event that a deposited item or electronic deposit is returned unpaid, we are entitled to debit your account for the amount of the returned item and you are responsible for any unpaid transactions and fees that may result from problems involving your deposit.

### **Deposits at Automated Teller Machines**

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available on the second business day after the day of deposit, except that U.S. Treasury checks that are payable to you will be available on the first business day after the day of deposit. Also, the first \$225 of a deposit will be available on the first business day after the day of deposit. Checks drawn on Hanscom Federal Credit Union will be available on the first business day after the day of deposit if the deposit is made at an ATM located on our premises.

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the third business day after the day of your deposit.

### **Special Provisions for New Accounts**

If you are a new member, the following special provisions may apply during the first thirty (30) calendar days following the opening of your membership.

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

Funds from all other check deposits will be available on the eleventh business day after the day of your deposit.

### **Longer Delays May Apply**

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

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

We will notify you if we delay your ability to withdraw funds for any of these reasons and we will tell you when the funds will be available. They will generally be available to you no later than seven (7) business days after the day of your deposit, however, longer delays may apply. Please ask if you need to be sure about when a particular deposit will be available for withdrawal.

### **Holds Against Funds in Your Account**

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

A temporary debit authorization hold may affect your account's available balance. On debit card purchases, a merchant may request a temporary hold on your account that may exceed the amount of your purchase. When this happens, we cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will be adjusted to the actual amount of your purchase based on the timing dictated by the merchant. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold.

## **V. Funds Transfer Agreement**

The terms used in this section have the meaning given to them in Article 4A of the Uniform Commercial Code - Funds Transfers (UCC 4A). This section is subject to UCC 4A as adopted in the state in which you have your deposit with us. This agreement is also subject to all clearing house association rules, rules of the Board of Governors of the Federal Reserve System and their operating circulars. If any part of this agreement is determined to be unenforceable, the rest of the agreement remains effective. This agreement controls funds transfers unless supplemented or amended in a separate written agreement signed by us. This agreement does not apply to a funds transfer if any part of the transfer is governed by the Electronic Fund Transfer Act of 1978 (EFTA), except this agreement does apply to a funds transfer that is a remittance transfer as defined in EFTA unless the remittance transfer is an electronic fund transfer as defined in EFTA.

### **Funds Transfer**

A funds transfer is the transaction or series of transactions that begin with the originator's payment order, for the purpose of making payment to the beneficiary of the order. A funds transfer is completed by the acceptance by the beneficiary's financial institution of a payment order for the benefit of the beneficiary of the originator's order. You may give us a payment order orally, electronically, or in writing, but your order cannot state any condition to payment to the beneficiary other than the time of payment. Credit entries may be made by ACH.

### **Authorized Account**

An authorized account is an account you have with us that you have designated as a source of payment of payment orders you issue to us. If you have not designated an authorized account, any account you have with us is an authorized account to the extent that payment of the payment order is not inconsistent with the use of the account.

## **Acceptance of Your Payment Order**

We are not obligated to accept any payment order that you give us, although we normally will accept your payment order if you have a withdrawable credit in an authorized account sufficient to cover the order. If we do not execute your payment order, but give you notice of our rejection of your payment order after the execution date or give you no notice, we are not liable to pay you as restitution any dividends on a withdrawable credit in a non-dividend-bearing account.

## **Cutoff Time**

If we do not receive your payment order or communication canceling or amending a payment order before our cutoff time on a funds transfer day for that type of order or communication, the order or communication will be deemed to be received at the opening of our next funds transfer business day.

## **Payment of Your Order**

If we accept a payment order you give us, we may receive payment by automatically deducting from any authorized account the amount of the payment order plus the amount of any expenses and charges for our services in execution of your payment order. We are entitled to payment on the payment or execution date. Unless your payment order specifies otherwise, the payment or execution date is the funds transfer date we receive the payment order. The funds transfer is completed upon acceptance by the beneficiary's bank. Your obligation to pay your payment order is excused if the funds transfer is not completed, but you are still responsible to pay us any expenses and charges for our services. However, if you told us to route the funds transfer through an intermediate bank, and we are unable to obtain a refund because the intermediate bank that you designated has suspended payments, then you are still obligated to pay us for the payment order. You will not be entitled to dividends on any refund you receive because the beneficiary's bank does not accept the payment order.

## **Security Procedure**

As described more fully in a separate writing, the authenticity of a payment order or communication canceling or amending a payment order issued in your name as sender may be verified by a security procedure. You affirm that you have no circumstances which are relevant to the determination of a commercially reasonable security procedure unless those circumstances are expressly contained in a separate writing signed by us. You may choose from one or more security procedures that we have developed, or you may develop your own security procedure if it is acceptable to us. If you refuse a commercially reasonable security procedure that we have offered you, you agree that you will be bound by any payment order issued in your name, whether or not authorized, that we accept in good faith and in compliance with the security procedure you have chosen.

## **Duty to Report Unauthorized or Erroneous Payment**

You must exercise ordinary care to determine that all payment orders or amendments to payment orders that we accept that are issued in your name are authorized, enforceable, in the correct amount, to the correct beneficiary, and not otherwise erroneous. If you discover (or with reasonable care should have discovered) an unauthorized, unenforceable, or erroneously executed payment order or amendment, you must exercise ordinary care to notify us of the relevant facts. The time you have to notify us will depend on the circumstances, but that time will not in any circumstance exceed 14 days from when you are notified of our acceptance or execution of the payment order or amendment or that your account was debited with respect to the order or amendment. If you do not provide us with timely notice you will not be entitled to dividends on any refundable amount. If we can prove that you failed to perform either of these duties with respect to an erroneous payment and that we incurred a loss as a result of the failure, you are liable to us for the amount of the loss not exceeding the amount of your order.

## **Identifying Number**

If your payment order identifies an intermediate bank, beneficiary bank, or beneficiary by name and number, we and every receiving or beneficiary bank may rely upon the identifying number rather than the name to make payment, even if the number identifies an intermediate bank or person different than the bank or beneficiary identified by name. Neither

we nor any receiving or beneficiary bank have any responsibility to determine whether the name and identifying number refer to the same financial institution or person.

### **Record of Oral or Telephone Orders**

You agree that we may, if we choose, record any oral or telephone payment order or communication of amendment or cancellation.

### **Notice of Credit**

If we receive a payment order to credit an account you have with us, we are not required to provide you with any notice of the payment order or the credit.

### **Provisional Credit**

You agree to be bound by the automated clearing house association operating rules that provide that payments made to you or originated by you by funds transfer through the automated clearing house system are provisional until final settlement is made through a Federal Reserve Bank or otherwise payment is made as provided in Article 4A-403(a) of the Uniform Commercial Code.

### **Refund of Credit**

You agree that if we do not receive payment of an amount credited to your account, we are entitled to a refund from you in the amount credited and the party originating such payment will not be considered to have paid the amount so credited.

### **Amendment of funds transfer agreement**

From time to time we may amend any term of this agreement by giving you reasonable notice in writing. We may give notice to anyone who is authorized to send payment orders to us in your name, or to anyone who is authorized to accept service.

### **Cancellation or Amendment of Payment Order**

You may cancel or amend a payment order you give us only if we receive the communication of cancellation or amendment before our cutoff time and in time to have a reasonable opportunity to act on it before we accept the payment order. The communication of cancellation or amendment must be presented in conformity with the same security procedure that has been agreed to for payment orders.

### **Intermediaries**

We are not liable for the actions of any intermediary, regardless of whether or not we selected the intermediary. We are not responsible for acts of God, outside agencies, or nonsalaried agents.

### **Limit on liability**

You waive any claim you may have against us for consequential or special damages, including loss of profit arising out of a payment order or funds transfer, unless this waiver is prohibited by law. We are not responsible for attorney fees you might incur due to erroneous execution of payment order.

### **Erroneous Execution**

If we receive an order to pay you, and we erroneously pay you more than the amount of the payment order, we are entitled to recover from you the amount in excess of the amount of the payment order, regardless of whether you may have some claim to the excess amount against the originator of the order.

### **Objection to Payment**

If we give you a notice that reasonably identifies a payment order issued in your name as sender that we have accepted and received payment for, you cannot claim that we are not entitled to retain the payment unless you notify us of your objection to the payment within one year of our notice to you.

## VI. Business Account Details

### Free Business Checking Account

#### **Minimum balance requirements**

No minimum balance requirements apply to this account.

#### **Transaction limitations**

No transaction limitations apply to this account.

#### **Fees and Charges**

A transaction fee will be charged for each transaction (debit or credit) in excess of 100 during a statement period.

### Business Checking 250 Account

#### **Minimum balance requirements**

You must maintain a minimum daily balance of \$2,500.00 in your account to avoid a monthly fee. If, during any month, your account balance falls below the required minimum daily balance, your account will be subject to a monthly fee for that month.

#### **Transaction limitations**

No transaction limitations apply to this account.

#### **Fees and Charges**

A transaction fee will be charged for each transaction (debit or credit) in excess of 250 during a statement period.

### Business Investment Account

#### **Rate Information**

The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

#### **Compounding and Crediting**

Dividends will be compounded and credited monthly.

#### **Dividend period**

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. Dividend rates are declared on the first day of the dividend period in which they will be paid. If you close your account before dividends are paid, you may not receive any accrued, unpaid dividends.



### **Minimum balance requirements**

The minimum required to open this account is the purchase of a share in the credit union. You must maintain a minimum daily balance of \$2,000.00 in your account each day to obtain the disclosed annual percentage yield.

### **Daily Balance Computation Method**

Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

### **When Dividends Begin to Accrue**

Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

### **Transaction limitations**

The maximum number of shares you can own in this account is one.

We reserve the right to at any time require not less than seven days notice in writing before each withdrawal.

### **Par Value of a Share**

The par value of a share in this account is \$25.00.

### **Fees and Charges**

A monthly fee will be charged each month. This fee will not apply if you have a Business Checking account.

A deposit fee will be charged for each deposit in excess of 20 during a statement period.

## **VII. Dispute Resolution (including Arbitration, Class Action Waiver, and Jury Trial Waiver)**

RESOLUTION OF DISPUTES BY ARBITRATION (this "Clause" or this "Arbitration Clause"): THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

### **Agreement to Arbitrate Disputes**

Either You or We may elect, without the other's consent, to require that any dispute between us concerning Your Accounts and the services related to your Accounts be resolved by binding arbitration, except for those disputes specifically excluded below.

### **No Class Action or Joinder of Parties**

YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by you and us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

## **Disputes Covered by Arbitration**

YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL. Any claim or dispute relating to or arising out of Your Accounts or our relationship will be subject to arbitration, regardless of whether that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of this Clause. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this Clause in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to Your Accounts. Disputes include not only claims made directly by You, but also made by anyone connected with You or claiming through You, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its parent, affiliates, successors, assignees, employees, and agents, and claims for which We may be directly or indirectly liable, even if We are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If party initiates a proceeding in court regarding a claim or dispute which is included under this Clause, the other party may elect to proceed in arbitration pursuant to this Clause.

## **Disputes Excluded from Arbitration**

Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this Clause. Claims or disputes arising from your status as a borrower under any loan agreement with the Credit Union are also excluded from this Clause.

## **Commencing an Arbitration**

The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or JAMS. If You initiate the arbitration, You must notify Us in writing at:

Hanscom Federal Credit Union  
Compliance Department  
25 Porter Rd  
Littleton, MA 01460

If We initiate the arbitration, We will notify You in writing at Your last known address on file. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums:

American Arbitration Association  
1-800-778-7879 (toll-free)  
[www.adr.org](http://www.adr.org)  
JAMS  
1-800-352-5267 (toll-free)  
[www.jamsadr.com](http://www.jamsadr.com)

The arbitration shall be conducted in the same city as the U.S. District Court closest to Your home address, unless the parties agree to a different location in writing.

## **Administration of Arbitration**

The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years experience or a retired or former judge selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and

procedures are inconsistent with this Clause, in which case this Clause will prevail. Those provisions and rules may limit the discovery available to You or Us. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. Your or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At Your or Our request, the Arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by the court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

### **Costs**

The party initiating the arbitration shall pay the initial filing fee. If You file the arbitration and an award is rendered in Your favor, We will reimburse You for Your filing fee. If there is a hearing, We will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, We will advance or reimburse filing and other fees if the arbitrator rules that You cannot afford to pay them or finds other good cause for requiring Us to do so, or if you ask us in writing and we determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.

### **Right to Resort to Provisional Remedies Preserved**

Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies.

### **Arbitration Award**

The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

### **Governing Law**

You and we agree that our relationship includes transactions involving interstate commerce and that this Clause is governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Massachusetts shall apply.

### **Severability, Survival**

This Clause shall survive (a) termination or changes to Your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. If any portion of this Clause is deemed invalid or unenforceable, the remainder of this Clause shall remain in force. No portion of this Clause may be amended, severed, or waived absent a written agreement between You and Us.

### **Right to Opt Out of this Resolution of Disputes by Arbitration provision**

YOU MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:

Agreement to the Resolution of Disputes by Arbitration provision:

1. If you agree to be bound by the above Resolution of Disputes by Arbitration provision, then no action is needed on your part.
2. If you take no action, then effective immediately your Accounts will be bound by this Resolution of Disputes by Arbitration provision.

Rejection of the Resolution of Disputes by Arbitration provision:

1. If you do not agree to be bound by this Resolution of Disputes by Arbitration provision, you must send us a signed, written notice that you reject the Resolution of Disputes by Arbitration provision within 30 days of account opening (or, if this Clause is added to the Disclosure for Personal Accounts after your Account was opened within 30 days after this Clause becomes effective) including the following information:
  - a. Your signed, written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
  - b. You must send Your signed, written notice to Us at the following address:

Hanscom Federal Credit Union  
Compliance Department  
25 Porter Rd  
Littleton, MA 01460