

**Terms and  
Conditions  
for Depositors  
and  
Electronic  
Funds Transfer  
Agreement**



To comply with the USA Patriot Act, Federal law requires us to obtain, verify, and record information that identifies each member applying for and opening new accounts or services with our credit union.

# I. Deposit Contract Terms

**Important information about procedures for opening a new account**

To help the government fight the funding of terrorism and money-laundering activities, federal law – as part of the USA Patriot Act – requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We also may ask to see your driver's license and other identifying documents.

## **Depositor's Contract with the Credit Union**

By opening an account with School Employees Credit Union of Washington (the "Credit Union") and signing the MasterApp, you (the "Depositor") are entering into a contract with the Credit Union. The terms of your contract with the Credit Union are contained in the MasterApp, the Terms and Conditions for Depositors, the Privacy Policy, and the Schedule of Account Charges, as amended. In addition, your account is subject to the Electronic Funds Transfer Act, the Electronic Funds Transfer Agreement, the Credit Union's Bylaws and policies, other state and federal laws and regulations, and the Rules of the National Automated Clearing House, and any amendments.

You understand that, although your ability to join the Credit Union may be based on your place of employment, continued membership and access to Credit Union services are not employment benefits and may be provided or withheld based on Credit Union policies.

By providing us with your e-mail address, you agree to periodic e-mail communication regarding your account or products that are available to you.

**Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or POD beneficiary designation may be invalidated upon the Credit Union's receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law.**

### **Deposits**

You may make deposits by mail, at an automated teller machine (ATM), or in person at the Credit Union. We also may make other methods of deposit available to you for your convenience, such as Direct Deposit or Payroll Deduction.

Depositor agrees that personal accounts will not be used for business purposes.

In receiving checks or other noncash items for deposit or collection, this Credit Union acts only as your collecting agent, and the Credit Union may decline to pay anything thereon until it has received actual funds or solvent credits.

Deposits made after the close of the business day will be considered made on the next business day. The closing time for each business day is posted in the Credit Union.

Deposits made by mail or other delivery or transfer service will not be deemed to have been made until received by the Credit Union.

The Credit Union cannot accept responsibility for any deposit delivered through the mail or to any machine or facility until actually received by the Credit Union. All such deposits will be subject to verification and acceptance after receipt and processing by the Credit Union. All such cash deposits are made at your own risk.

The Credit Union may limit, refuse, or return any deposit.

All items or Automated Clearing House (ACH) transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect

any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to refuse or to return all or any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use.

## **Endorsement Standards**

The Federal Reserve System has established standards for endorsements contained on the back of a check (share draft). These standards reserve the area 1.5 inches from the trailing edge of the check for your endorsement as payee. The remaining space is reserved for financial institution endorsements.

If you or a prior endorser write on the back of a check or imprint an endorsement in the areas reserved for financial institutions, it may obscure a financial institution endorsement and may result in late return from the paying financial institution.

If you issue checks on your account that have a carbon band or if you imprint information on the back of the check, it may overlap into the area reserved for the financial institutions' endorsements. If it becomes necessary for us to return one of your checks, the carbon band or material placed on the back may interfere with the financial institutions' endorsements and cause delays in returning the item.

You hereby agree to indemnify us and hold us harmless from any and all claims, costs, damages, losses, liabilities, and expenses (including reasonable attorneys' fees) that result from late return of a check due to material entered on the back that obscured or interfered with the depository or another financial institution's endorsement.

The Depositor is solely responsible for making sure that all items deposited to the Depositor's account are properly endorsed. The Credit Union may, but is not required to, endorse items for the Depositor that the Credit Union receives for deposit. Under no circumstances will the Credit Union be liable for any loss to the Depositor for the Depositor's failure to properly endorse items deposited in the account with the Credit Union.

When you deposit items to your account, you warrant that all prior endorsements are genuine. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union reserves the right to send any item for collection. The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

## **Withdrawals**

The terms and conditions for making withdrawals vary according to the type of account you have. These requirements are:

**Savings (share) Account.** You may withdraw funds from your account in person, by mail, telephone, ATM, or electronic funds transfer. The Credit Union may require appropriate sig-

nature, personal identification code, or other identification.

**Checking (share draft) Account.** You may withdraw from your account by writing a check, in person, by phone, plastic card, or other electronic funds transfers. You may also withdraw, where applicable, through proper use of a plastic card and an ATM.

**Telephone Transfers.** If you have both a Savings and Checking Account at the Credit Union and they have common ownership, you may transfer funds between these accounts simply by calling STARS (Satellite Teller Action Request System) or our Member Services Unit. Telephone transfers must be in the minimum amount determined from time to time by the Credit Union. The closing time for each business day will be posted in the Credit Union. The Credit Union may limit the number of telephone transfers during any period.

**Electronic Transfers.** If you have both a Savings and Checking Account at the Credit Union and they have common ownership, you may transfer funds between these accounts from any personal computer by going to [www.secuwa.org](http://www.secuwa.org) and clicking on STARS Online. Transfers must be in the minimum amount determined from time to time by the Credit Union. The closing time for each business day will be posted in the Credit Union. The Credit Union may limit the number of transfers during any period.

**Electronic Check Transactions.** If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer ("EFT") subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

**Electronic Re-presented Checks.** If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of the Electronic Funds Transfer Information and Cardholder Agreement. If you want to reverse an electronic re-presented check, you must give us an affidavit within 15 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was ineligible or unauthorized. If we receive a proper notice or affidavit from you within the 15-day period, we will recredit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your

account recredited due to a prior stop payment order or if the item is otherwise ineligible for collection.

**Automatic Transfers.** The Credit Union is authorized to make automatic transfers between the accounts you designate. Such transfers will be in the minimum amount determined from time to time by the Credit Union. The Credit Union will limit the number of withdrawals from a Savings Account as determined by federal regulation.

The Credit Union also may make other methods of withdrawal available to you for your convenience. In all cases, the Credit Union may require a reasonable time to pass before it permits you to withdraw any deposit made by check or any other non-cash item, such as money order or traveler's check, in order to allow time for such items to be collected. Please refer to the "Your Ability to Withdraw Funds" section of these Terms and Conditions.

Also, in all cases except Checking Accounts, the Credit Union may require 90 days' prior written notice of any intended withdrawal (including automatic transfers and telephone transfers).

## **Special Features**

In addition to the Terms and Conditions otherwise set forth herein, the following requirements will apply to the following accounts:

**Checking Account.** When you open a Checking Account, which is subject to the discretion of the Credit Union, you authorize the Credit Union to pay checks or Visa debits signed by you or any joint account holder and to charge all such payments against the funds in this account. The account is subject to the following:

Only check blanks and other methods approved by the Credit Union may be used to make withdrawals from this account.

The Credit Union is under no obligation to pay a check that exceeds the fully paid and collected Checking Account balance.

The Credit Union may pay any check on whatever day it is presented for payment, notwithstanding the date (or any limitation on the time of payment) appearing on the check.

When paid, checks become the property of the Credit Union and will not be returned either with the periodic statement of this account or otherwise. Copies of checks are available upon request.

Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a check.

Errors on a periodic statement of account must be reported promptly to the Credit Union, in writing, as errors may be waived upon expiration of a statutory time limit.

You agree and understand that the Credit Union may implement accounting features that treat checking accounts as both a checking account and a subsavings account in order to minimize the Credit Union's reserve requirements on such accounts. These features will have no impact on your account.

This account is subject to the Credit Union's right to require advance notice of withdrawal, as provided in its bylaws.

This account also is subject to such other terms, conditions, and service charges as the Credit Union may establish from time to time.

**Trust and Payable on Death (P.O.D.) Accounts.** Except as modified by a separate written agreement, (i) the rights of a

trust or P.O.D. account beneficiary will vest only on the death of the Depositor (or only on the death of the last surviving Depositor if the account is a Joint Account with Right of Survivorship), and only if such beneficiary is then surviving, and (ii) if more than one beneficiary is named and survives, the account balance will be paid jointly to such survivors.

**Individual Accounts.** An individual account is an account owned by one Depositor including any individual or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or payable on death ("P.O.D.") beneficiary, if applicable.

**Joint Accounts.** Accounts with more than one Depositor will be held as a "Joint Account with Right of Survivorship." Upon the death of one of the parties, the funds of the deceased Depositor become the property of the surviving Depositors. If more than one Depositor survives, the surviving Depositors shall remain joint account holders with survivorship.

Unless you have instructed the Credit Union that more than one signature is required, each joint account holder who has a signature on file with the Credit Union may withdraw, by any of the methods we make available, any or all of the funds on deposit; each joint account holder also may make deposits, close the account, enter into agreements concerning the account, pledge all or any part of the shares of any account, and stop payment on any check or other item; each joint account holder guarantees the signature(s) of the other joint account holder(s); and each Depositor will be deemed to have appointed each of the other Depositors as his attorney-in-fact with power to endorse any check or other instrument payable to him or his order, and to cash or deposit the same, until the Credit Union receives notice of the death or incapacity of such authorizing Depositor or until this account is changed or closed. However, the Credit Union is not obligated to cash such items or accept them for deposit.

If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a Court order to act or require that all joint account owners agree in writing to any transaction concerning the account.

If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account regardless of who contributed the funds to the joint account.

**ACH and Wire Transfers.** If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH (Automated Clearing House) transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement.

The Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. It also may reverse the provisional credit to your account or require you to refund the amount to the Credit Union.

A telephone wire transfer may be initiated by you to another account at another institution if you are listed as beneficiary on that account. For wire transfer requests initiated by telephone, the Credit Union may require a Wire Transfer Confirmation or authorization form signed in person.

If an ACH or wire transfer is converted to or from a foreign currency, you assume all risks associated with the foreign exchange conversion and agree that any loss resulting from any foreign exchange conversion will be allocated to you.

When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. The Credit Union reserves the right to confirm or verify information on all wire transfer requests prior to sending the wire. If you provide incomplete or inaccurate transfer instructions, written or oral, the Credit Union will not be responsible for any resulting wire transfer losses, delays, or failed transactions.

Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

**Savings Deposits Not Transferable.** Saving deposits are, unless otherwise provided, not transferable except when pledged as collateral for a loan, transferred by operation of law, or transferred on the books and/or records of the Credit Union.

**Accounts for Minors.** For any membership established by or for a minor, the minor is considered the member, and the minor's tax identification number must be shown on the account card.

The Credit Union reserves the right to require the minor account owner to have a parent or guardian joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with the rights of survivorship unless otherwise indicated on the account card. The Credit Union may allow access to funds and payment of funds directly to the minor without regard to his or her minority at any time, unless the Credit Union has received written notice from a parent or guardian to withhold payments to the minor, as permitted by law, and the Credit Union has had a reasonable opportunity to act upon the notice.

Unless a parent or guardian is a joint account owner, the parent or guardian shall not have any right to access the account. The Credit Union has no duty to inquire about the use or purpose of any transaction by the minor or joint account owner.

**A Uniform Transfers to Minor Account (UTMA)** is an individual account established by a member as a custodian on behalf of a minor, a person under twenty-one (21) years of age.

The custodian shall open the account in the name of the minor, include the minor's Social Security number, and must sign his or her own name on the account card. The custodian is the owner of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. In the event of a custodian's death, the Credit Union may place an administrative hold on the account until it receives instructions from any person authorized by law to withdraw funds or a court order authorizing such withdrawal.

**Accounts for Living Trusts.** An account for a living trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to a revocable trust agreement. Upon request of the Credit Union, the trustee shall sign an account authorization card and provide any other evidence of the trustee's authority the Credit Union requires. Trustee warrants that a valid living trust has been created, is currently existing, and that the trustor and primary beneficiary are eligible for membership in the Credit Union. The Credit Union does not act as a trustee and is under no obligation to inquire as to the powers or duties of the trustee(s). The trustee agrees to notify the Credit Union in writing if a change of trustee occurs. The Credit Union may withhold payment of funds to any party until proper evidence of authority is provided. The Credit Union may rely upon the directions of any one trustee until a written notice of revocation of the living trust or an account card form is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold the Credit Union harmless of any liability, claim, damage or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee upon which Credit Union relies prior to notice of revocation of the trust. This agreement shall be binding on the trust, any trustee, successor trustee and beneficiaries.

**Death of Account Owner.** You irrevocably waive the right to make a testamentary disposition of any account with the Credit Union, now and in the future. You agree that upon your death, your account will be payable in accordance with any existing account designations and the terms of this Agreement. The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of an account owner's death. Once the Credit Union learns of a member's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim.

## **Dividends**

The payment of dividends on deposits is determined from time to time by your Board of Directors and is subject to state and federal regulations. Our anticipated rates are publicized through advertising.

## **Service Charges**

The Credit Union may charge you for its services. You agree to pay any application charges in effect when the service is provided. Such charges include, but are not limited to, charges made for checks returned for insufficient funds and stop-payment requests. You may obtain a current schedule listing all service charges and their amounts from the Credit Union. Service charges, including their amounts, may be changed by the Credit Union with reasonable prior notice. Your continued use of your account constitutes agreement to those changes. Service charges, and all costs incurred by the Credit Union for you, may be taken from your account without notice, and the Credit Union will not be liable for dishonoring items because of having taken funds from your account for service charges, costs, or credit investigations.

## **Periodic Statements**

We will periodically mail, or in some other manner make available to you, a statement of your account with certain documentation that reflects the transactions that have occurred during the period covered by the statement. You should examine the statement promptly and report any errors to us within the time period permitted by law. This time period varies depending on the type of account, service, or error (e.g., electronic fund transactions or forged items). Unless otherwise provided by law, you will have 60 days from the date you receive your statement to report any errors to the Credit Union. If you do not report any errors within the permitted time period, our records will be binding on you, the Credit Union will have no liability to you for such errors, and the Credit Union will have no further responsibility to correct such errors.

## **Stop-Payment Orders**

The Depositor may prevent payment of a check that has not been processed and paid by the Credit Union. Stop-payment orders must include the Depositor's account number, number and date of the check, name of payee, the amount of the check, and the reason the stop-payment order is being placed. A stop-payment order is effective for only six months, unless renewed in writing. A stop-payment order will be binding on the Credit Union only if it has a reasonable opportunity to institute its internal procedures in time to deny payment of the check. The Credit Union will send a Stop Payment Confirmation to the Depositor on the first business day after the stop-payment order is placed. It is the responsibility of the Depositor to verify that the information is accurate. It is the responsibility of the Depositor to renew stop-payment orders within the six-month time frame.

## **Post-Dated Checks**

The Credit Union is under no obligation to pay a check dated after the date it is presented for payment. However, the Credit Union may pay a postdated check and charge the Depositor's account without liability.

## **Nonsufficient Funds (NSF) and Overdrafts**

If you overdraw your Account, the Credit Union reserves the right, but is not obligated, to return the item unpaid (NSF) and assess a charge to your account. If you have Overdraft Protection in force, we will pay the item in accordance with your Overdraft Protection Agreement. The Credit Union also reserves the right to transfer funds from your Savings Account to cover the item and assess a charge to your account. All charges are defined in our Schedule of Account Charges, which is available upon request and is subject to change from time to time. The Credit Union may return NSF items, even if it previously honored other NSF items.

In the event that the Depositor fails to pay any overdrawn item on demand and the Credit Union refers collection of the item to an attorney, Depositor hereby agrees to pay the Credit Union's reasonable attorney fees and expenses incurred by the Credit Union in collection of the item.

In the event it should become necessary to place for collection an unpaid balance due for services rendered, the Depositor hereby agrees to pay collection fees and expenses should legal action be filed, reasonable attorney fees, filing fees, and any other costs the court determines proper.

## **Overdraft Protection**

Upon Credit Union approval, this service allows you to write checks, obtain cash, or when used with the debit card, make purchases up to a prior-approved limit, in excess of your Checking Account balance. When you use this service, you activate a credit instrument, taking out a small loan for the amount of the overdraft. The amount you draw from your Overdraft Protection Account will be charged to your Checking Account at a specified payment and interest rate, which is disclosed in the Loan Contract Terms.

## **Closing Accounts**

You may close your account at any time upon notifying the Credit Union. Your account also may be closed by the Credit Union at any time. The Credit Union will mail you notice of such closure within a reasonable time thereafter. If your account is closed by the Credit Union, the Credit Union will mail you a check for the balance remaining in the account after a reasonable time has passed to ensure that all checks, other items, fees, and charges with respect to such account have been paid. The Credit Union will not be liable to you for refusing to pay any check or other item presented after your account is closed.

## **Right to Setoff, Credit Union Lien, and Security Interest**

The Credit Union will have a security interest in and a right of setoff to any and all funds on deposit in your account (including joint accounts) to secure repayment of any and all debts and obligations, including credit cards, that you owe to the Credit Union, whether direct or indirect, secured or unsecured, absolute or contingent, now existing or hereafter created, or joint or joint and several. The Credit Union may apply these funds in any order to pay off your indebtedness, including any costs or attorney fees incurred by the Credit Union in enforcing its rights. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. In addition, you grant the Credit Union a

consensual security interest in your accounts and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except obligations secured by your dwelling, unless prohibited by applicable law. All accounts are nonassignable and nontransferable to third parties. The Credit Union will not be liable to you for dishonoring any check or other item because of insufficient funds resulting from the Credit Union exercising its security interest or right of setoff granted hereunder.

## **Garnishments or Attachments**

If we are served with a legal process that seeks to attach, garnish, or in some other manner restrict you from freely using the funds in your account, we will comply with such legal process without prior notice to you and without your prior approval. The Credit Union is under no duty to inquire into the validity of any such legal process. We also reserve the right to hold any part of the funds until it is finally determined who has a legal right to the funds. We reserve the right to be reimbursed by you for our costs and expenses.

Any legal process against your account is subject to the Credit Union's lien and security interest.

## **Special Account Instructions**

You may request the Credit Union to facilitate certain trust, will, or court-ordered account arrangements. However, because the Credit Union does not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond to indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union officer; otherwise, payment is accepted with full reservation of rights. Account changes requested by you, or any account owner, such as adding or closing an account or service or adding or removing a joint owner, must be evidenced by a signed account card and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without written authorization and a copy of the Power of Attorney on record at the Credit Union.

## **Inactive Memberships**

A membership is classified as inactive if it has not had any deposit, withdrawal, or other member-initiated activity for **two** consecutive years. If your membership has been classified as inactive, the Credit Union will mail you a notice and discontinue sending statements of account activity. The Credit Union also reserves the right to assess an inactive membership maintenance fee. All fees are defined in our Rate and Fee Schedule, which is available on request and is subject to change from time to time. You may reactivate an inactive membership by contacting the Credit Union.

## **Dormant Accounts**

If your membership remains inactive for **three** consecutive years, the State of Washington deems the membership to be "dormant." Washington law requires the Credit Union to transfer any remaining funds in the account to the State of

Washington. If this happens, you must contact the state to have your funds returned to you.

### **Your Mailing Address**

The Credit Union may send any notice, periodic statement, or other communication to you at your last known address as indicated in the Credit Union's records, unless you instruct us otherwise in writing. No further mailings will be made in the event the notice is returned.

### **Disclosure of Information**

Your account is confidential. However, we will disclose information regarding your account with your consent or as permitted by law if fraud occurs. For example, we will disclose information regarding your account to Credit Union examining authorities, in response to a court order or subpoena, or if you have given the Credit Union's name as a credit reference on a credit application to the party to whom you are applying for credit. The Credit Union will be under no duty to inquire into the validity of a court order or subpoena.

### **Changes in the Terms of the Contract**

The Credit Union reserves the right to change the Terms and Conditions governing your contract with us. Before a change in the rules will affect you, the Credit Union will notify you of the proposed change, either by posting a notice of the change in the lobby of the Credit Union or by mailing you a written notice of the change. Changes will be effective 30 days after posting in the lobby of the Credit Union or sooner, upon written notification mailed to the Depositor. Posted changes may not be mailed to the Depositor. Your continued use of your account constitutes your agreement to any such changes.

### **Waiver of Rules**

The Credit Union will not, by reason of having waived in any instance any of these Terms and Conditions, be deemed thereby to have waived them in all instances. Nor will any such waiver prevent the Credit Union from the exercise of the same or any other Terms and Conditions at any time. Delay in enforcement of any of the Terms and Conditions will not constitute a waiver thereof.

### **Conditions Governing Deposits**

The Credit Union or the Depositor may close the Depositor's account or terminate a particular type of service at any time without advance notice. If the Credit Union elects to close the account or terminate a particular type of service, it may mail a notice or a check for the account balance to the Depositor.

## **Credit Union's Liability for Errors**

If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain enough money to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or nonactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement.

## **Severance**

If any section, or portion thereof, of these Terms and Conditions for Depositors is deemed by a court to be invalid or unenforceable, the remaining portions of this contract will not be affected thereby and will be binding on the parties and enforceable as though the invalid or unenforceable section were not contained in this contract.

## **Washington Law**

Deposits in the Credit Union will be governed by Washington law.

## **Reasonable Care**

You are expected to exercise reasonable care of your account documents such as checks, plastic cards, and statements. They should be stored in a safe, secure place, and be destroyed when no longer necessary.

## **Nonmember Transactions**

The Credit Union will obtain a person's thumbprint when:

- 1) A nonmember seeks to cash a member's check drawn on the Credit Union, or the Credit Union's cashier's check or corporate check;  
or
- 2) A nonmember seeks to exchange a member's check for the Credit Union's cashier's check, corporate check, or money order.

We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine.

# **II. Funds Availability Policy**

## **Your Ability to Withdraw Funds**

For savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law.

For checking accounts, our funds-availability policy is set forth below.

Our policy is to make funds from a member's deposit available on the first business day following the day the Credit Union receives the deposit. Electronic direct deposits will be available on the day we receive the deposit. At that time, the member may withdraw funds, or the Credit Union may pay checks presented against the account.

The following information will help you determine the availability of your deposits: Every day is a business day except Saturday, Sunday, and federally recognized holidays. If you make a deposit before 5 p.m. on a business day that the Credit Union is open, we will consider that to be the day of deposit. However, if you make a deposit after 5 p.m. or on a day that the Credit Union is not open, we will consider the deposit as having been made on the next business day we are open.

If we accept for deposit a check drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds you have on deposit in another account with the Credit Union. Those funds would not be available for withdrawal based on the time periods established for the type of check you deposited. Please refer to the "Longer Delays May Apply" and "Special Rules for New Accounts" sections of these Terms and Conditions.

If we cash a check for you drawn on another financial institution, we may withhold the availability of a corresponding amount of funds already in your account. Those funds would be available at the time funds from the check we cashed would have been available if you had deposited it. For example, if we cash a local check of \$100 for you, \$100 already in your account will not be available until the next business day after the day we cash the check.

### **Longer Delays May Apply**

In some cases, we will not make all the funds you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check you deposit, funds may not be available until the fifth business day after the day of deposit. However, the first \$100 of your deposit will be available on the first business day.

If the Credit Union is not going to make all funds deposited by check available on the next business day, we will let you know at the time of deposit when the funds will be available. If the deposit is not made directly to a Credit Union employee, or if the Credit Union decides to take this action after you have left our staffed facility, we will mail notice to you no later than the close of business on the following business day we are open.

If you will need funds from a deposit immediately, please ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- The Credit Union believes a check you deposited will not be paid.
- Checks deposited to your account(s) on any one day total more than \$5,000.
- The check deposited is drawn on a foreign institution.

- A check returned unpaid is redeposited.
- Your account has been overdrawn repeatedly in the past six months.
- The deposit was made at an ATM belonging to another financial institution.
- An emergency arises, such as a failure of computer or communications equipment.

If the Credit Union delays your ability to withdraw funds for any of the above reasons, we will notify you and tell you when the funds will be available – generally no later than 11 business days after the day of deposit.

## **Special Rules for New Accounts**

If you are a new member, the following special rules apply during the first 30 days your account is open:

- The first \$5,000 from a deposit of U.S. Treasury checks will be available on the first business day after the day of your deposit. The excess over \$5,000 may be held up to nine business days after the day of your deposit. Funds from wire transfers into your account will be available on receipt of transfer.
- Funds from deposits of cash and the first \$5,000 of a day's total deposits of cashier, certified, teller, traveler's, and 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. The excess over \$5,000 may be held up to nine business days after the day of your deposit. If you do not make the deposit in person to one of our employees, the first \$5,000 may be held up to two business days following the day of deposit.
- Funds from all other check deposits may be held up to nine business days after the day of your deposit.

# III. Electronic Funds Transfer Agreement

To report lost or stolen ATM or Visa® debit cards:

1-888-628-4010 *toll free during business hours*

1-800-682-6075 *after hours*

To report lost or stolen Visa credit cards:

1-800-654-7728

From outside the U.S., call collect:

(410) 581-9994

## Introduction

A number of services for School Employees Credit Union of Washington members can be initiated electronically.

### Current EFT Services Available to Members:

- direct deposit
- automated funds transfers
- preauthorized payments
- automated telephone access (STARS)
- plastic card
- personal computer access (STARS Online)
- bill payer

Transactions initiated electronically are known as part of the Electronic Fund Transfer (EFT) system.

School Employees Credit Union of Washington is pleased to tell you about the rights and responsibilities – yours and ours – associated with EFT transactions. Some of the wording we use in this EFT information brochure and some of the terms we must abide by are dictated by federal law.

## Fees and Limitations on Transfers

We don't charge you fees for EFT transactions,\* but there may be charges for replacement cards, stop payments, and research or photocopies of records. You may obtain a listing of all service charges/fees from the Credit Union.

In accordance with Regulation D, no more than six withdrawals or transfers per month may be made from your savings account by phone, e-mail, fax, STARS, STARS Online, or preauthorized transfer. Of these six (6), you may make no more than three (3) transfers to a third party by check or debit card purchase. If a transfer request would exceed the transfer limitations set forth above in any statement period, the Credit Union may refuse or reverse the transfer, and your account will be subject to suspension or closure by the Credit Union, and the Credit Union may impose a charge. There are no limitations from your checking account.

### You'll also want to be aware of these situations:

- (1) **Cash withdrawals and purchases.** For security reasons, there are limitations on the amount of cash withdrawals and purchases you can make with your card during each business day. Please note that weekends and holidays may be considered to be part of the next business day for purposes of determining your daily limit. Daily card transaction limits are subject to change from time to time without notice and will vary based on your specific card product.
- (2) **Transfers.** You may transfer between your regular savings and checking accounts up to the balance in your accounts at the time of the transfer at available locations.
- (3) **Deposits.** The servicing and processing schedule of automated teller machines may result in a delay between the time a deposit is made and when it will be available for withdrawal. You should refer to the Credit Union's funds availability schedule.
- (4) **Insufficient Funds.** If an account accessed does not have sufficient available funds, we may, at our discretion, reject or accept the transaction you have selected. If we honor such a transaction, you agree to pay, on demand, the required amount to cover the overdraft plus any applicable fees.

\* *In some cases, third parties **may** charge you fees, such as ATM surcharges. There are charges for our bill-paying service and for currency conversion on international transactions.*

## **Statements, Receipts, and Notices You Will Get about Your Transfers**

*Statements:* School Employees Credit Union of Washington will furnish a monthly statement to members with electronic transactions.

*Receipts:* You may receive a printed receipt for card transactions at the time your transaction is completed. Save it for your records.

*Notice of deposits to your account:* If you have arranged to use direct deposit at least once every 60 days from the same person or company, and that person or company does not give you notice of such deposit, you can call us. We'll tell you whether the deposit has been made.

Upon filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the U.S. Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

*Notice of amount of payments from your account:* If you have arranged to have regular payments in varying amounts made from your account, the company you are going to pay will tell you – 10 days before each payment – when it will be made and how much it will be. You also may choose to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

## **Stopping Preauthorized Payment from Your Account**

If you have told us in advance to make regular payments from your account, you can stop any of these payments. We must receive your request three business days or more before the payment is scheduled to be made. If you call, we also require that you put your request in writing and get it to us within 14 days after you call.

We will charge you for each stop-payment order you give and will tell you the amount of the fee when you call. If you tell us to stop payment in this way, and we fail to do so, we'll be liable for your losses or damages in accordance with the law.

## **Our Liability if We Do Not Make Transfers as Agreed**

If we do not make a transfer to or from your account according to properly given instructions, we will be liable for your reasonable losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, your account does not contain enough available funds to complete the transfer;
- (2) If circumstances beyond our control, such as fire or flood, prevent the transfer despite reasonable precautions that we have taken;
- (3) If preauthorization for transfers has been revoked by law (in case of death or incompetency, for example);
- (4) If the ATM doesn't have enough cash;

- (5) If the ATM, STARS, or STARS Online was not working properly and you knew about the breakdown when you started the transaction;
- (6) If the account is dormant;
- (7) If incomplete or inaccurate information on your direct deposit or payroll deduction is revealed;
- (8) If your card or PIN has been reported lost or stolen, or if the Credit Union suspects fraud or misuse;
- (9) If your card is expired or damaged, or if you use the wrong PIN;
- (10) The error was caused by a system of an affiliated network and/or business partner or such other machine or facilities as we may designate. There may be other exceptions stated in our agreement(s) with you.

The law limits our liability. We will be liable only for some kinds of losses and damages.

## **STARS and STARS Online Use**

STARS, the Credit Union's audio-response telephone service, and STARS Online, our online computer service, give members access to their accounts 24 hours a day, seven days a week. Use is subject to the terms and conditions governing your account's operation.

By using your Personal Identification Number (PIN), you formally accept the terms and conditions of this disclosure. You also assume all liability for STARS and STARS Online use by anyone to whom you disclose your PIN. Transferring funds with STARS and STARS Online is subject to certain conditions and limitations listed in this disclosure.

## **Card Use**

You may use your Visa® check card or ATM card at ATMs and point of sale devices and such other machines or facilities as we may designate from time to time. You may also use your Visa check card to buy goods and services any place Visa is honored. Funds to cover your card transactions will be deducted from your account. If the amount of money in your checking account will not cover the Visa transaction amount, we will then access your Overdraft protection account (up to your pre-determined limit) if you were approved for this service.

At many ATM locations, you may:

- (1) Withdraw cash from your checking, savings, or credit line account.
- (2) Make deposits to your checking or savings account.
- (3) Transfer funds between your savings and your checking account.
- (4) Purchase items such as stamps.

You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize ("electronic check transactions"). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant's right to process the transaction. Notice may include a sign posted by the merchant at the time and place of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions, except the \$50 and \$500 limits of liability for unauthorized transactions in Section (1) LIABILITY FOR UNAUTHORIZED TRANSACTIONS. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

## **Credit Card**

The Credit Union Visa credit card is covered by a separate agreement.

## **Responsibility**

By authorized use of your ATM card or Visa check card, you agree:

- (1) To abide by all rules and regulations, as amended, of School Employees Credit Union of Washington, and any networks to which your card has access.
- (2) That School Employees Credit Union of Washington may follow all instructions given to machines.
- (3) That the card is the property of School Employees Credit Union of Washington and will be returned to the Credit Union immediately upon request.
- (4) That use of the card may be terminated or restricted by the Credit Union at any time without notice.
- (5) The Credit Union reserves the right to restrict access to your account.
- (6) **That the confidential Personal Identification Number (PIN) issued to you is for your security purposes. In no event should it be carried on your person or written on the card or on anything else. Never allow a third party to gain access to your card, card number, or PIN.**
- (7) That all persons that make application for the card subsequently issued shall be jointly and severally liable. If you allow anyone else to use your card, you will be liable for all transactions and/or credit extended to him or her.
- (8) Card will not be used for gambling purposes, or in connection with any illegal activity.

You promise to pay us all amounts borrowed under this agreement, plus any FINANCE CHARGE or other amounts due.

## **Returns and Adjustments**

Merchants and others who honor Visa may give credit for returns or adjustments, and they will do so by sending us a credit that we will post to your checking account.

## **Foreign Transactions**

Cash withdrawals and purchases made in foreign countries will be posted to your account in U.S. dollars. The charge will be converted into U.S. dollars at the exchange rate established in accordance with the operating regulations for international transactions established by the network processing your transaction. You understand that the exchange rate in effect when the charge is processed may differ from the rate in effect on the date of the transaction or posting to your account. For Visa transactions, the exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. In addition you will be charged a currency conversion fee of 1% of the transaction amount.

## **Merchant Disputes**

We are not responsible for the refusal of any merchant or financial institution to honor your card.

## **Effect of Agreement**

This agreement applies to all transactions on your account even though the sales, credit, or other slips you may sign contain different terms. We may amend this agreement from time to time by sending you the advance written notice required by law. Your use of the ATM card or Visa check card thereafter will indicate your agreement to those terms.

## **Electronic Check Conversions and Electronic Returned-Check Fees**

You authorize us to honor any electronic check conversion transaction and re-presented check fee debit transactions you authorize ("electronic check transactions"). You agree that your authorization for an electronic check transaction occurs when you initiate such a transaction after receiving any notice regarding the merchant's right to process the transaction. Notice may include a sign posted by the merchant at the time and place of your transaction. All terms governing electronic funds transfer services will apply to electronic check transactions, except the \$50 and \$500 limits of liability for unauthorized transactions in Section (1) LIABILITY FOR UNAUTHORIZED TRANSACTIONS. You remain responsible for notifying us of any unauthorized electronic check transaction shown on your statement.

## **Acknowledgment and Acceptance**

Acceptance, retention, or use of your ATM card, Visa check card, STARS, or STARS Online indicates your agreement to the terms and conditions contained in this agreement. You further acknowledge receipt of a copy of this agreement and the disclosure statement made pursuant to the Electronic Funds Transfer Act.

The Electronic Funds Transfer Act governs certain electronic fund transactions to and from your accounts at School Employees Credit Union of Washington. These disclosures set forth your and our rights and responsibilities concerning the electronic funds transactions that are covered by the Act.

## **Liability for Unauthorized Transactions**

You are responsible for all transfers you authorize using your EFT services under this agreement. If you permit other persons to use an EFT service, card, or access code, you are responsible for any transactions they authorize or conduct on any of your accounts.

However, tell us at once if you believe anyone has used your account, card, or access code and accessed your accounts without your authority. Telephoning is the best way of keeping your possible losses down. For Visa check card purchase transactions, if you notify us of your lost or stolen card, you will not be liable for any losses provided you were not grossly negligent or fraudulent in handling your card, and you provide us with a written statement regarding your unauthorized card claim, otherwise the following liability limits will apply. For all other EFT transactions, if you tell us within two (2) business days, you can lose no more than \$50 if someone accessed your account without your permission.

If you do not tell us within two (2) business days after you learn of the unauthorized use of your account or EFT service, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows EFT

transfers that you did not make, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may be liable for the full amount of the loss if we can prove that we could have stopped someone from making the transfers if you had told us in time.

If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

### **Lost Card Notification**

If you believe the card has been lost or stolen, immediately call the Credit Union at 1-888-628-4010 toll free. After hours, report lost cards to 1-800-682-6075. When reporting lost or stolen cards after hours, please have your card number ready. Report any thefts to local law enforcement agencies.

### **Telephone Number for Reporting Unauthorized Transactions**

If you believe your card or PIN has been or may be used by someone without your permission or has been lost or stolen, call 1-888-628-4010 toll free. After hours, call 1-800-682-6075.

### **Business Days**

The business days for our branches are Monday–Friday (not including holidays).

### **Verification**

All deposits are subject to verification and funds availability (Regulation CC).

### **Charges for Electronic Funds Transactions**

There are no additional Credit Union charges for electronic debits and credits, but your normal account charges will continue to apply.

In addition, you should be aware of transaction surcharges that may be assessed by owners of an ATM or POS terminal for use of their equipment. These surcharges will be included in the transaction amount posted to your account.

### **Right to Receive Documentation of Transactions**

*Receipts for card transactions* will be made available at the time you complete any in-person card transaction.

*Periodic statements.* We will mail or deliver to you monthly checking account statements.

*Transaction history* is also available on STARS and STARS Online.

### **Disclosure of Account Information to Third Parties**

We will maintain the confidentiality and privacy of your account information in accordance with our privacy policy. We will disclose information to third parties about your accounts or the transactions you make:

- (a) where it is necessary for completing transactions; or
- (b) in order to verify the existence and condition of your 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 you give us your written permission.

## **In Case of Errors or Questions about Your Electronic Transactions**

Telephone us as soon as you can if you think your statement is wrong or if you need more information about a transaction listed on the statement or receipt. We must hear from you no later than 60 days after we have sent or delivered to you the first statement on which the problem or error appeared.

- (a) Tell us your name and account number.
- (b) Describe the error or the transaction you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
- (c) Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct the error promptly. For errors related to transactions occurring within thirty (30) days after the first deposit to the account (new accounts), we will tell you the results of our investigation within twenty (20) business days. If we need more time, however, we may take up to forty-five (45) calendar days to investigate your complaint or question (ninety [90] calendar days for POS transaction errors, new account transaction errors, or errors involving transactions initiated outside the United States). If we decide to do this, we will recredit your account within ten (10) business days (five [5] business days for Visa check card purchase transactions) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not recredit your account.

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

You may terminate this agreement at any time by giving the Credit Union written notice thereof and returning to the Credit Union all cards issued to you; provided, however, that such termination shall have no effect on your liability for transactions occurring prior to delivery of such written notice and return of said cards to the Credit Union.

## **Other Agreements**

Other agreements you have with us, such as your account agreements, continue to govern the use of your accounts, but we will not enforce any part of those agreements that cover transactions governed by the Electronic Funds Transfer Act when to do so would be contrary to these disclosures or would be in violation of the Act.

## **Amendments**

We may amend these disclosures by mailing notice to the holder of the account covered by these disclosures at least 21 days before the effective date set by the notice. Each account will be governed by the disclosures as amended, unless the account is closed before the effective date of the amendment.

## **ATM Safety Tips**

For your safety when using an ATM, remember the following advice:

- Be aware of your surroundings, especially at night. Look around and if you notice anything suspicious, consider using another ATM or returning later.
- Consider having another person accompany you to the ATM after dark.
- Park nearby, in a well-lighted area.
- Do not display your cash. Instead, pocket it and count it later in the safety of your car or home.
- If you notice anything suspicious after you have begun your transaction at an ATM, consider canceling the transaction, pocketing your card, and leaving.
- Instead of getting cash from stand-alone ATMs, consider getting cash back from retailers when you make purchases with your card.
- Report all crimes to School Employees Credit Union of Washington and to local law enforcement officials immediately.
- If you are followed after making a transaction, go to the nearest public area where people are located.

You should be careful when you use ATMs, especially at night. You understand we do not guarantee your safety while using an ATM.

**Dear Credit Union Member:**


Thank you for opening an account with us. When you opened your account, you agreed to the terms and conditions governing the operation of your account. Our current terms and conditions are contained in this brochure and apply to all depository accounts at the Credit Union.

Sincerely,



Sandra M. Kurack, *President*



**SCHOOL**   
**EMPLOYEES**  
**CREDIT UNION**  
**OF WASHINGTON**

**Home Office**

325 Eastlake Avenue E.  
PO Box 576  
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