



# Membership and Account Agreement

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# MEMBERSHIP AND ACCOUNT AGREEMENT

## INTRODUCTION

This Agreement is a contract which covers the duties, rights and responsibilities concerning membership and the ownership and use of account(s) offered to you by Nymeo Federal Credit Union. In this Agreement, the words "you" and "yours" mean those who acknowledge electronic acceptance of the Account Card or who sign the Account Card in person as an applicant, owner, joint account owner, or any authorized person who has access to an account. The words "Credit Union", "Nymeo", "we," "us", and "our" mean Nymeo Federal Credit Union. The word "account" means any one or more deposit accounts you have with the Credit Union, or have an ownership interest in, including savings accounts, checking accounts, investment savings accounts, and certificates, as may be applicable. The words "Member" or "Members" refer to those individuals who are eligible for membership in the Credit Union.

By acknowledging your acceptance of the terms of the Account Card by electronic signature, or by signing the Account Card in person, or by having an ownership interest in an account established at our Credit Union, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Account Card, our Funds Availability Policy, Fee Schedule, Truth-in-Savings Disclosure, Electronic Funds Transfer Agreement and Disclosure, Privacy Notice, the Credit Union's Bylaws, and any other account policies or procedures, all of which collectively govern your membership and accounts. You agree additional accounts and services you request in the future will be governed by this Agreement, and that the terms of these documents may be amended from time to time. Your use of an account at the Credit Union after any amendment to these documents will acknowledge your acceptance to the terms of such amendments.

## 1. MEMBERSHIP AND ACCOUNTS

A. Membership Eligibility. To be eligible for membership in Nymeo Federal Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership and you must maintain the minimum required shares as set forth in our Bylaws. You authorize us to check your account and employment history and obtain a credit report from third parties, including any credit reporting agencies, to verify your eligibility for the accounts and services you may request from time to time.

B. Individual Accounts. An individual account or single party account is an account owned by one depositor. If the account is an individual account, the interest of a deceased individual owner will pass to the decedent's estate or to a Payable on Death (POD) beneficiary if you designate such a beneficiary with us. A POD beneficiary's interest is subject to our Statutory Lien for the obligations of any deceased party, and to any security interest or pledge granted by a deceased party, even if the POD did not consent to the creation of such security interest, pledge or Statutory Lien.

C. Joint Accounts. An account owned by two or more persons is a joint account, it will be governed under the Maryland multiple party accounts law. If your account is a joint account, the account is owned as a joint account with the right of survivorship. Upon the death of a joint account owner, that person's interest will become the property of the surviving joint account owners. In the event of the simultaneous death of all joint owners the interest of the primary owner will pass to the primary owner's estate or POD beneficiary, if applicable. A surviving party's interest is subject to our Statutory Lien for the obligations of any deceased party, and to any security interest or pledge granted by a deceased party, even if the surviving party did not consent to the creation of such security interest, pledge or Statutory Lien.

D. Rights of Joint Account Owners. Any joint account owner is authorized to act for the other owners and the Credit Union may accept orders and instructions regarding the account, requests for future services, and any transaction from any joint account owner. Any joint account owner may withdraw all funds in the account, stop payment on items drawn on an account, or transfer all or any part of the shares of any account (except the membership share) without the consent of the other joint account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). The Credit Union reserves the right to require written consent of all joint owners for a change of ownership or termination of an account. If the Credit Union receives written notice of a dispute between joint 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. The joint owners also agree that any or all of the joint owners may pledge all or any part of the shares in this account as collateral security to a loan or loans from the Credit Union.

E. Account Owner Liability. If any item deposited in a joint account is returned unpaid or an account is overdrawn, each of the joint account owners is jointly and severally liable to the Credit Union for the amount of the returned item or overdraft plus any charges or fees established by the Credit Union, regardless of who created the overdraft, deposited or cashed the item, or benefited from the transaction. The Credit Union may enforce its Statutory Lien Rights, as outlined further herein, against any account that any individual or joint account owner may have access to, as a means of collecting sums owed to us, regardless of who contributed the funds to the accounts. These Statutory Lien rights apply to all accounts, including but not limited to joint accounts established with a minor, except those established as a UTMA account.

## 2. CERTIFICATION AS TO TAXPAYER IDENTIFICATION NUMBERS (TIN) OR EMPLOYER IDENTIFICATION NUMBER (EIN) OR (ITIN) INDIVIDUAL TAXPAYER IDENTIFICATIONNUMBER AND BACKUP WITHHOLDING

Upon opening the account, you must: 1) provide a name, matching Taxpayer Identification Number (TIN) or Employer Identification Number (EIN) or Individual Taxpayer Identification Number (ITIN) and address of the person or business on whose behalf the account is being opened, and 2) certify that the TIN/EIN/ITIN shown on the account is the correct TIN/EIN/ITIN, and whether the person to whom the TIN/EIN/ITIN belongs is: a) subject to, b) not subject to, or c) exempt from backup withholding. By acknowledging the terms of our Account Card, you certify, in accordance with the IRS W-9 instructions provided by the Credit Union and under penalties of perjury, the TIN or the EIN or the ITIN shown is the correct identification number and you are NOT, unless otherwise designated, subject to backup withholding because you have not been notified that you are subject to backup withholding or the IRS has notified you that you are no longer subject to backup withholding. If your account is, or becomes subject to, backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a statutorily defined amount of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct TIN/EIN/ITIN or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you fail to provide your TIN/EIN/ITIN, the Credit Union may suspend your account privileges until a TIN/EIN/ITIN is provided. In some instances we may close your account.

### 3. CHECKING ACCOUNTS

If you request an account for which you may issue checks as payment or withdrawal from the account you authorize the Credit Union to establish a special share draft account for you, commonly known as a "checking account". The Credit Union is authorized to honor checks executed by any of the individuals who are listed on the Account Card. The following rules also apply to checking accounts:

A. Approved Checks. Only blank check and other methods approved by the Credit Union may be used to withdraw funds from your checking account. If you do not order checks from us and purchase checks from a third party vendor, you are solely responsible for all liability with respect to the use and operation of such checks, including but not limited to the failure of these checks to be processed and paid.

B. Overdraft and Payment of Otherwise Returnable Items. The Credit Union is under no obligation to pay a check which exceeds the fully- paid and collected balance in your checking account; the Credit Union may, however, pay such a check through various methods: 1) One method is for overdraft protection to apply and permit the payment of the item that would otherwise be returned as unpaid as an advance on an overdraft line of credit associated with your checking account; 2) Another method is to treat the check as a request for alternative overdraft protection in the form of the Courtesy Pay program. This program allows the payment of a check that would otherwise be returned for non-sufficient funds, and it is available to eligible Members who qualify for and sign up for the Courtesy Pay program. The Courtesy Pay program terms are subject to change or modification at any time, as the sole discretion of the Credit Union, and the Credit Union reserves the right to terminate the program upon reasonable notice. There are fees associated with this program and limitations on how long you have to bring the account current to a positive balance. Accounts must be brought to a positive account balance within forty five (45) days of a Courtesy Pay payment by the Credit Union. These rules and limitations are detailed in the Courtesy Pay Standard Overdraft practices document. In order for Automated Teller Machine (ATM) and Debit Card transactions to be subject this form of overdraft protection you must consent to this protection by agreeing to "Opt-In" to this program; 3) A last method of payment is for the Credit Union to withdraw funds from another deposit account or a personal line of credit held by any joint checking account owner, in the amount necessary to permit the Credit Union to pay such checks. You agree to pay all fees as published from time to time for the use of the various overdraft protection plans available to you.

C. Priority of Processing. Items presented for payment on your checking account will be processed in the order in which we receive them; this may be different than the order in which you make payments from your account. We may, at our discretion, choose the order in which to make a payment, draft, or withdraw funds from your account. The order of these withdrawals may affect overdraft protection and any fees charged to your account. If you have questions regarding this order please contact us.

D. Stale Dated Checks and Post-Dated Checks. The Credit Union is under no obligation to pay a check on which the date is more than six (6) months old. The Credit Union may pay a check on whatever day it is presented for payment, notwithstanding the date appearing on the check.

E. Non-payment of checks. If the Credit Union does not pay a check that is presented for payment, the Credit Union shall not have liability for the nonpayment, and you all account owners agree to jointly and severally indemnify and hold the Credit Union harmless from any damages or expenses including any reasonable attorney's fees it might incur by reason of such non-payment. Should we decline to pay any check as stated above, we may impose a service charge in such amount as may be provided in our Fee Schedule.

F. Deposits. All non-cash payments received on deposit into a checking account will not be final payment for the deposit until the funds are collected and clear. If deposited items are returned to the Credit Union, we reserve the right to stop or cancel the payment of checks or withdrawals presented to your checking account for payment.

G. Closure of Checking Account. The Credit Union has the right to close your checking account at any time. In such event we will attempt to provide notice to you of the intended date of closure, unless, in our opinion we will incur a loss by keeping the account open while notice is provided to you. Checking accounts that are deemed, in our discretion, to be overdrawn excessively can be closed without advance notice.

H. Ownership of Paid items. Checks which are paid by the Credit Union become the property of the Credit Union and will not be returned either with the periodic statements or otherwise.

I. Remotely Created Drafts and Checks. These are checks or drafts created by someone other than the account owner. These are customarily prepared by third party payees, or someone who is authorized by any account owner or signer. The authorization for these types of items is made online or via telephonic communication, and the checks or drafts are not signed but instead contain a statement that the remotely created items have been authorized by the account owner or signer. When you authorize these remotely created items, you may not revoke or change your authorization. If you have issues regarding authorization you must resolve these directly with the third party. We can rely on third party authorizations for withdrawals of these items, and we can charge your account for any remotely created items where the third party has proof of your authorization.

J. Checks Presented in Person. In our discretion, we may refuse to accept a check or draft that is presented for payment in person. Our refusal will not be deemed to be a wrongful dishonor and we are not liable for refusing payment in person.

#### **4. OTHER ACCOUNTS AND RULES GOVERNING THESE ACCOUNTS**

A. Holiday and Vacation Clubs. The Holiday Club and Vacation Club accounts are depository accounts, and they are treated as a savings account. There is no minimum deposit required to open either the Holiday Club or Vacation Club account. Deposits can be made to club accounts at anytime. You may deposit cash, transfer funds from another account, or establish a recurring payroll deduction or automatic transfer. A fee will be assessed if you withdraw any funds prior to the end of the designated time period. However, if you do withdraw the funds early, the club account will be closed in full. The club account can be re-opened after the regular distribution time has passed.

B. Health Savings Accounts. At the present time the Credit Union does not offer a Health Savings Account (HSA). At such time as they are available, rules regarding these accounts will be published by the Credit Union.

C. Share Secured Loan Savings Account. The Share Secured Loan Savings is a depository account that is utilized as collateral for a loan received from the Credit Union. These accounts are opened with the balance needed to secure the loan. The balance held will match the principal and accrued and unpaid interest that may be due on the loan.

D. Accounts for Minors. For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a joint account owner who is at least eighteen (18) years of age, who shall be primarily liable to the Credit Union for any returned item, overdraft, unpaid charges or amounts owed to us on such account. These types of accounts shall be owned by the minor and the person who is over eighteen (18) as a joint account with the right of survivorship. The Credit Union may make payments of funds directly to the minor without regard to his/her age unless the Credit Union has received written notice from the minor's parent or legal guardian to withhold payment from the minor and the Credit Union has reasonable opportunity to act on the notice. Unless a parent or legal guardian is a joint owner with the minor, the parent or legal 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. The Credit Union shall not have an obligation to change the account status when the minor reaches age twenty-one (21), unless authorized in writing by all account owners.

E. Uniform Transfer to Minors Accounts. A Uniform Transfer to Minors Account ("UTMA") is an individual account established by a Member as a custodian on behalf of a minor (for purposes of the UTMA a minor is a person under twenty-one (21) years of age). The custodian shall open the account in the name of 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 the 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. It is the custodian's responsibility to turn the funds over to the "minor" once they reach twenty-one (21) years of age.

F. Trust Accounts. A trust account involves several parties. Usually there is a person or other entity which owns the assets to be held in trust (called the Settlor or sometimes the Grantor), a person or entity which receives and holds the assets (called the Trustee), and a person or entity which receives the benefits of the trust (called the Beneficiary). The assets held by the Trustee are called the Corpus of the trust. The Credit Union does not have trust powers and the only function of the Credit Union is to furnish the same services to a trust as it furnishes to individual Members. The Credit Union requires a copy of the Trust Agreement, or a Certificate (Acknowledgment) of Trust, which lists the names of the Trust, the Settlor, the Trustee, and the Beneficiary. The Trust may have a separate Employee Identification Number (EIN) for the trust, or Settlor's personal TIN may be used for personal trusts.

G. Accounts for Businesses and Organizations. Accounts held in the name of a Member, organization, municipality or associations for business purposes are subject to the same terms set forth in this Agreement and these additional rules. At least one of the principals of the business or organization must be eligible for membership in the Credit Union. The Credit Union can require that third party checks payable to a business may not be cashed, but must be deposited to the business account. Any authorized signer that is designated by the account owner to transact on behalf of the business shall have the same authority as an account owner. The Credit Union will rely on the

account owner's written authorization identifying authorized signers until such time as the Credit Union is informed of changes in writing. An authorized signer may withdraw all funds in the account, stop payment on items drawn on the account, or transfer all or any part of the shares to an account without the consent of the account owner and the Credit Union shall have no duty to notify the account owner. If the Credit Union receives written notice of a dispute between an authorized signer and an account owner or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, or require a court order before further transactions can occur on the account. The account owner is liable for an authorized signer that acts to transact business on any of the account owner's accounts.

## **5. DEPOSIT AND OTHER REQUIREMENTS**

Deposits may be made to any deposit account in any amount by cash, check, or other item at any branch office, by mail or via use of Remote Deposit Capture through My Nymeo Online Banking. All deposit accounts are non-assignable and non-transferable to third parties. Deposit rules are outlined in the Truth-in-Savings Disclosure. We reserve the right to refuse or to return any deposit.

A. Endorsements. You authorize the Credit Union, in or at its discretion, to accept transfers, checks, and other items for deposit into any of your accounts if they are made payable to, or to the order of, any one or more owners on the account, whether or not they are endorsed by all owners. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. When you deposit items to your account, you warrant that all prior endorsements are genuine. The Credit Union reserves the right to verify all endorsements on third party checks presented for deposit either in person or by comparison with Member signature files, and to require insurance, government, and certain other checks be endorsed in person exactly as they are made payable. Endorsements must be placed in the space on the back of the check between the top edge and 1-1/2 inches from the top edge. We may accept checks with endorsements outside this space. However, if any such endorsement causes any delay in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay. The Credit Union may disregard information on any check other than the signature of the drawer and Magnetic Ink Character Recognition (MICR) information. For example, restrictive legends are not controlling on our Credit Union, and we are not liable for the payment of any item presented which is contrary to the restrictive legend.

B. Collection of Items. The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. The exception to this rule is the eDeposit program, which permits remote depositing into your accounts. 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 be liable for its own negligence. The Credit Union reserves the right to pursue the collection of any previously dishonored item at any time, which may include giving a payor financial institution additional time beyond normally prescribed time limits.

C. Final Payment. All non-cash deposits posted 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 deposits and impose a return item charge on your account. After we receive final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect your deposit item, the Credit Union may charge such fees to your account. The Credit Union reserves the right to refuse or to return all or part of a deposit or to close your account if necessary to prevent further deposits into the account.

D. Direct Deposits/Transfers of Funds. The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. You must authorize any direct deposit to your account by a separate authorization form. If you wish to cancel the direct deposit or direct transfer option, you must notify the Credit Union at least 30 days prior to the date of the direct deposit or preauthorized transfer you wish to cancel. A Member may stop payment on a preauthorized transfer or electronic fund transfer by notifying the Credit Union orally or in writing at any time up to three (3) business days prior to the scheduled date of transfer. The Credit Union will require a written confirmation of the stop payment order to be made within fourteen (14) days of an oral notification.

E. Crediting of Deposits. Deposits received at our offices on business days before any deposit cut-off time will be credited to your account as of the day of the deposit. Deposits made after the deposit cut-off time (e.g. deposits made at an ATM, deposits not made on a Credit Union business day, and holidays) will be credited to your account on the next business day. Deposits received at unstaffed teller locations such as night depositories will be credited on the next business day the funds are removed and processed by the Credit Union.

F. Lost Items. The Credit Union, in receiving items from you for a withdrawal or deposit, acts only as your agent and we reserve the right to reverse the credit or to charge your account for the items should they become lost in the collection process.

## **6. ACCOUNT ACCESS**

Your acknowledgement of the Account Card by electronic signature or signature of the Account Card in person permits you and other owners or persons whom you have designated to us in writing to have access to your Accounts. If you provide your account number to any third party, we can honor transactions made by such party, even when you have not given us specific authority for a particular transaction.

A. Access Options. You may make withdrawals or transfers from your account in any manner that is permitted by the Credit Union (e.g., checks, ATM, in person, by mail, automatic transfer, telephone banking, My Nymeo Online Banking, and point of sale (POS) as may be applicable). If you make withdrawals by check, the check must be properly completed and signed by you or your representative whose

authority is on file with us. The Credit Union may return as unpaid any check that is not completed in the form provided by the Credit Union. The Credit Union may restrict the withdrawals or transfers on your account(s). We may permit the use of a Power of Attorney. However we have the right to review and approve any Power of Attorney, seek the advice of our legal counsel as to the form and sufficiency of the Power of Attorney, and make investigation into the validity of the Power of Attorney. We may require the designated Attorney-in-Fact to execute and affidavit as to the validity of the Power of Attorney, but we are not required to do so. If we permit the use of a Power of Attorney, which in our opinion is legally and validly enforceable, you waive any claims against us for the use of the Power of Attorney, and you agree to indemnify and hold us harmless for claims related to the Power of Attorney.

B. Electronic Fund Transfers. Certain electronic transfers may be made by wire or ACH electronic payments. Wire transfers may be used to send or receive funds between accounts located at separate financial institutions. Regulation J issued by the Federal Reserve Board governs these transactions. Applicable state laws also apply under Article 4A of the Uniform Commercial Code, as adopted by the State of Maryland. You may give the Credit Union a payment order that identifies the beneficiary (recipient of the funds) by financial institution name, address, routing number, and individual's name and identifying account of the named beneficiary. However, if you give the Credit Union a payment order which identifies an intermediary or beneficiary's financial institution by both name and an identifying number, a receiving financial institution may rely on the number as proper identification even if it identifies a different person than the named financial institution. The Credit Union is not required to provide you next day confirmation of wire transfers. The notification will appear as an item on your periodic statement from the Credit Union. The Credit Union is not liable for ACH transactions that involve the electronic processing of debits and/or credits to accounts held at the Credit Union. These transactions are governed by operating rules of the National Automated Clearing House Association. The Credit Union may give you a credit for ACH payments before it receives final settlement of the funds transfer. However, any such credit is provisional until the Credit Union receives the final settlement of the payment. The Credit Union is not required to provide you next day confirmation of ACH transactions. The notification will appear as an item on your periodic statement from the Credit Union. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with the ACH entry. All forms of electronic transfers can be amended, cancelled, or rescinded by any account Owner, even if that owner did not initiate the transfer of funds from the account. We have the discretion to refuse to initiate any electronic transfer, and also refuse to amend or cancel an electronic transfer, if we believe that the transfer itself or the amendment or cancellation of the transfer exposes us to liability. You and each account owner agree to indemnify and hold the Credit Union harmless for all amendments and cancellation of electronic transfers. We have certain security measures in place regarding electronic transfers, and you agree to follow these procedures, otherwise we can refuse to initiate such transfers. We may also delay sending funds electronically if we believe additional security measures must be taken before funds are withdrawn from an account. We are not responsible for errors, delays, or interruptions in electronic transfers which may be caused by other parties or circumstances not within our control, including but not limited to transmission line issues, computer failures, mechanical failures, acts of God and nature.

## **7. SHARED BRANCHING**

Nyneo has partnered with credit unions from all over the country to share facilities and provide thousands of convenient locations to perform transactions. You can conduct a range of transactions at these locations, including deposits, withdrawals, loan payments, and funds transfers between accounts, as well as purchase traveler's checks and cashiers checks. (These items are available at some locations along with other ancillary services; however, to find out if the location you will be visiting offers the services you need, please contact them first.) To perform a transaction at a shared branch, you will need: our credit union's name, your account number, the last four digits of your Social Security number and valid government-issued photo ID (i.e. state driver's license, U.S. passport, or other form of acceptable ID).

## **8. DIVIDEND RATES AND ACCOUNT FEES**

Dividend Rates and Account Fees. The Credit Union's payment of dividends on savings, checking, and certificate accounts are based on current projections and prior earnings, after the provision for required reserves. The Credit Union is prohibited, as a matter of law, from guaranteeing in advance, the dividend return on any account. All dividend rates, except those rates that are contracted, such as certificate accounts, are determined on a periodic basis and are subject to change without notice. Dividend rates and fees charged for accounts are published in our Truth-in-Savings Disclosure and any Schedule of Fees and Charges that we may publish from time to time.

## **9. ACCOUNT TRANSACTION LIMITATIONS**

A. Withdrawal Restrictions. The Credit Union is only required to permit a withdrawal if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft protection plan as described herein. Checks or other transfer of payment orders that are drawn against insufficient available funds will be subject to a service charge as set forth in our Fee Schedule. If there are sufficient available funds to cover some, but not all of your withdrawal orders, we may pay those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion.

B. Dispute Among Account Owners. In the event of either written notice of the existence of a dispute between the owners, beneficiaries, or other persons concerning their respective rights of ownership to the funds contained in, or proposed to be withdrawn, or previously withdrawn, from any account(s), or the Credit Union's uncertainty as to who is entitled to the funds in any account(s), the Credit Union reserves the right to place an administrative hold on the funds in the account(s), notify all owners, beneficiaries, and/or all other persons claiming an interest in the account(s), of either the dispute or the Credit Union's uncertainty as to who is entitled to the funds and will not release the funds to any owner(s), beneficiary(s) or other persons claiming an interest in funds in the account, until the

Credit Union receives either: a request for payment in writing agreed to by all Owner(s), beneficiary(s), or all other persons claiming an interest in funds held in an account(s), or the payment is authorized or directed by a court of proper jurisdiction. The Credit Union, at its discretion, reserves the right to require Members to give notice in writing of any intended withdrawals from any account (except checking) of not less than seven (7) days and up to sixty (60) days before such withdrawal.

C. Limitations on Transfers. Federal Reserve Board Regulation D restricts the number of electronic transfers from your account within a given month. You may consult the Truth-in-Savings Disclosure or the Electronic Funds Transfer Agreement and Disclosure for these rules and guidance on this issue.

## **10. SHARE CERTIFICATES**

We offer certain term share and share certificate Accounts, and these are governed by and subject to the rules contained herein and in our Truth-in-Savings Disclosure, as well as any account receipt for such accounts.

## **11. STOP PAYMENT ORDERS**

A. Stop Payment Request. Any account Owner or someone who has access to a checking or draft share account may, upon timely and proper request, ask the Credit Union to stop payment on any check or other payment order drawn upon the account. These requests may also be made telephone, online, by mail, or by appearing in person. The stop payment order, to be effective, must be received before the Credit Union has finally paid the subject item or has taken certain other action with respect to the check. You must provide the number of the account, date and number of the item, its exact amount, and to whom it was issued. If you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment order is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to the Credit Union all of your rights against the payee, or other holders of the item, and to assist the Credit Union in any legal action taken against the person.

B. Duration of Order. Verbal stop payment orders remain in effect for fourteen (14) days and they lapse unless confirmed in writing before the expiration of the fourteen (14) day time period. Written stop payment orders and online stop payment orders are effective for six (6) months, and they can be renewed for subsequent six (6) month time periods, such renewal requests must be made in order for any written stop payment to remain in effect after six (6) months, you must renew the order in writing.

C. Fees and Responsibility. The Credit Union may charge a fee for each stop payment order requested, as set forth on our Fee Schedule. You may not stop payment on any certified check, cashier's check, draft or any other check that is guaranteed by you or the Credit Union. It is at the Credit Union's sole discretion to place stop payments on a check. Be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is holder of the item despite the stop payment order. You agree to indemnify and hold us harmless for all claims and losses, including our attorney's fees and costs related to our refusal to pay an item presented for payment. If you place a stop payment order and the item is paid through no fault of yours, the Credit Union will only be liable for actual damages you incur, not to exceed the amount of the check that we paid.

## **12. OUR LIABILITY FOR ERRORS AND OMISSIONS**

If the Credit Union does not properly complete a transaction according to this Agreement, we are liable to you for actual losses or damages you incur, which will not exceed the amount of the transaction, unless otherwise permitted by applicable law. Under no circumstances will we be liable to you if: 1) through no fault of the Credit Union, your account does not contain sufficient funds to cover a transaction; 2) circumstances exist which are beyond our control that do not allow a particular transaction to occur; 3) there is negligence or other actions by a third party which prevent the transaction; 4) your loss is caused by the negligence of another financial institution; or 5) the money in your account is subject to legal process or other claim. In no event will the Credit Union be liable for consequential or special damages.

## **13. OUR STATUTORY LIEN RIGHTS AND CROSS COLLATERAL RIGHTS**

Unless prohibited by applicable law, you grant and pledge to us a lien which acts as security for all of your current and future obligations to us. This does not apply to your principal residence, however it does apply to any other collateral that is secured by any loan obligation you have to us, and also to any and all shares, dividends, deposits, and interest, if any, in all accounts you may now have or which you acquire in the future with the Credit Union. If you pledge a specific dollar amount in your account for a secured loan, we will freeze the funds in your account to the extent of the outstanding balance of the loan or the available balance if the loan is a revolving loan. Otherwise, the funds available in any pledged accounts may be withdrawn unless you are in default. Federal and state law also gives us certain rights and creates a lien on all shares and dividends and all deposits and interest in accounts you currently have or which you acquire in the future. Except as limited by federal or state law, the Statutory Lien gives us the right to apply the balance of all sums on deposit in your accounts to any obligation you have, either individually or jointly and severally with a co-borrower, on which you are in default. After you are in default, we may exercise our Statutory Lien rights without further notice to you. Your pledge and our Statutory Lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by federal or state law. If we choose not to apply the entire balance of the funds in your account(s) to satisfy your obligation, we may place an



administrative freeze on your account(s) in order to protect our Statutory Lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. For example, if you file Bankruptcy and attempt to discharge your debt to us, we may place the administrative freeze on the funds on deposit and apply the funds to your loan balance after you are discharged from Bankruptcy. The Statutory Lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under federal or state law if given as security. If we choose not to enforce our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

#### **14. LEGAL ACTIONS**

If any legal action, such as an attachment, levy, or garnishment is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. Any expenses or attorney's fees that we incur in responding to legal process may be charged to your account without notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's Statutory Lien rights and security interest.

#### **15. FURNISHING OF ACCOUNT INFORMATION**

Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transactions or balances except when: 1) it is necessary to complete the transaction; 2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; 3) such disclosure is in compliance with the law, government agencies or court orders; or 4) you give us your written permission.

#### **16. NOTICES**

A. Name or Address Changes. It is your responsibility to notify the Credit Union in writing upon a change of address or change of name. The Credit Union is only required to honor items drawn upon the name as listed on the account and to attempt to communicate with you only at the most recent address you have provided to the Credit Union. The Credit Union will accept only signed, written notices of an address or name change or, in some instances when proper identification is provided. You may also request a change of address via PCU access.

B. Notice of Amendment. Except as otherwise prohibited by applicable law, the terms of this Agreement and all fees and other agreements provided to you in connection with this account are subject to change at any time. The Credit Union will notify you of any changes in terms, rates, or fees as required by law by delivering notice to the last address which you have specified for this account. If notice is given by mail, you agree only one notice is necessary in the case of a joint account. You may terminate your account prior to the effective date of any changes. Amendments requested by you, or any one joint account owner, such as adding or closing a new type of account or service, must be evidenced by a signed "Membership Signature Card," which upon execution will be incorporated herein by this reference. The Credit Union reserves the right to require all owners' consent in writing to terminate an account.

#### **17. STATEMENT AND BILLING RIGHTS**

A. Periodic Statements. If we provide periodic statements for your account, you will receive them for the transactions and activity during the statement period, all as provided by applicable law. You agree that only one (1) statement is required for joint accounts. All original check or drafts, when paid, are the property of the Credit Union and will not be returned to you. Copies or originals of these paid items are retained by us and may be available to you upon request. You agree that the statements, checks, drafts, or copies thereof are made available to you on the date they are sent to you, even though checks and drafts are not included in the statement.

B. Your Responsibilities. You are solely responsible for examining, in a prompt manner, each statement when you receive the same, and you must report any irregularities or concerns to us immediately. You must report irregularities, including but not limited to forged, altered, unauthorized, unsigned, or otherwise fraudulent items which are withdrawn from any account within thirty-three (33) days of the date we send the statement to you, otherwise we are not liable to you for any such losses. All statements are considered correct and we are not liable to you for any payment made or charged to your account unless you notify us in writing within this time period. You also agree that our retention of the checks or drafts does not change your responsibility to carefully review your statement or the time limit you have to notify us of errors. If you fail to receive a periodic statement, you agree to notify us writing within fourteen (14) days of the date you receive the statement.

#### **18. TERMINATION OF YOUR ACCOUNT**

A. Termination by Member. You may terminate your account at any time, subject to requirements of any loans that are secured by the account, or which have been pledged as collateral for the loans.

B. Termination by Us. We may require the consent of all joint owners on an account before it may be terminated. We may also close your account without notice to you, or we may require that you close an account in the following circumstances: 1) there is fraudulent or suspicious activity on the account; 2) there is a report of criminal activity related to the account or forgery, identity theft, lost or stolen checks, etc.; 3) there are excessive unpaid items which are not covered by an overdraft protection plan or there are an

unusually high number of Courtesy Pay overdraft protections advances made on the account; 4) there is a change in the ownership on the account that we have not agreed to in writing; or 5) a dispute exists as to the ownership of the funds in an account. If we close the account for any of these reasons you agree to indemnify and hold us harmless for any disputes related to the closure of the account.

## **19. TERMINATION OF MEMBERSHIP AND DENIAL OF ACCOUNT SERVICES.**

A. Termination by Member. You may terminate your membership at the Credit Union under the conditions that no deposit accounts are pledged as collateral for a loan and all loan accounts are paid in full at the time of your withdrawal as a Member.

B. Termination by Us. The Credit Union may expel you from membership for any reason allowed by NCUA regulation, applicable law, and our Credit Union Bylaws.

C. Denial of Account Services. We have the option to deny certain services for causing a loss to the Credit Union, or you may be expelled as a Member for any reason as allowed by applicable law. In the event that you cause, or make known your intention to cause a financial loss to us, whether by way of loan default, bankruptcy discharge, account overdraft or otherwise, or should you default under the terms of any existing loan maintained with us, or take any action that would render all or part of your obligations owing to us unenforceable, it is our policy to withhold Credit Union services from you. Credit Union services include, without limitation, checking accounts, share draft accounts, Holiday or Vacation Club accounts, ATM and Debit card availability, PCU or other online and telephonic access, E-statements, Bill Payer or other online bill paying services, Courtesy Pay or other payment for overdrawn checking accounts, and further extensions of credit. If you enter into a valid and enforceable Reaffirmation Agreement with the Credit Union that is not rescinded, and which reaffirms all of your obligations existing prior to the filing of any Petition in Bankruptcy, the foregoing policy with respect to the denial of Credit Union services and further extensions of credit may be waived at the discretion of the Credit Union's management. If the Credit Union perceives your failure or inability to reaffirm all pre-Bankruptcy Petition obligations to the Credit Union is beyond your control, and you nevertheless continue voluntarily repaying pre-Bankruptcy Petition obligations, the Credit Union at its option and discretion, may accept and consider future credit applications and may continue to extend Credit Union services to you.

## **20. DORMANT OR INACTIVE ACCOUNTS**

If your account falls below any applicable minimum balance or if you have not made any withdrawals, deposits, or transfers on your account for the period of time specified in our rules and regulations, we may classify your account as a dormant account and may charge a dormant account service fee as allowed by applicable law and as set forth on our Schedule of Fees and Charges. If the dormant account balance is under the required share minimum value and has remained so for twelve (12) months, the Credit Union may absorb the balance in the Account. If we have not had contact with you under certain state law and no transactions have been made under the time period prescribed by such laws, we may determine the funds in the account are abandoned property and tender them to the state under abandoned property laws. If we turn these funds over to the state, we shall have no further liability to you for such funds and if you choose to reclaim such funds you must apply to the appropriate state agency.

## **21. DEATH OF A MEMBER**

Upon the death of the primary account owner, funds in the account shall be payable to joint account owners or the estate in accordance with the previous provisions of this Agreement and applicable state laws. The Credit Union will require the survivor or other claimant of 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 the account owner's death. Once the Credit Union learns of an account owner's death, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased owner for a period of ten (10) days from the date of death, unless the Credit Union receives instructions from an authorized person to stop payment on the drafts or other items. You agree the Credit Union can require anyone who claims funds in your account after your death to indemnify the Credit Union for any losses resulting from honoring that claim. Our Statutory Lien rights survive the death of an account owner and funds in an account will not be released to any POD designee, surviving joint owner, or estate of the deceased Member until all loan obligations of the deceased Member have been satisfied in full.

## **22. SPECIAL INSTRUCTIONS FOR ACCOUNTS**

The Credit Union can facilitate certain trust or court-ordered account arrangements you may request. 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 need. If you ask the Credit Union to follow instructions that the Credit Union believes might expose it to damages, claims, lawsuits, expenses, or liabilities, whether directly or indirectly by third parties, the Credit Union may refuse to follow your instructions or may require a bond or other protection.

## **23. SEVERABILITY**

The headings of this Agreement are for convenience purposes only, and the Agreement may be interpreted as "whole document" without such headings in place. In the event any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

## **24. GOVERNING LAW**

This Agreement is governed by the Bylaws of the Credit Union, Federal and NCUA statutes and regulations, and state laws. You agree that in the event you have a dispute with the Credit Union, you consent to the jurisdiction and venue in the courts of Frederick County, Maryland as well as any applicable federal court in the State of Maryland, as a proper forum for any litigation arising out of your account or your account relationship with us.

## **25. LEGAL FEES AND COSTS**

In the event the Credit Union files legal action against you regarding sums owed to the Credit Union or a dispute regarding your accounts you agree to pay to us reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. In the event we seek collection of amounts owed to us, you agree that a reasonable attorney's fee for us to recover is twenty percent (20%) of the principal balance of what is owed to us.

## **26. NOTICE OF FURNISHING NEGATIVE CREDIT INFORMATION**

You acknowledge and agree that we have the option to report information about your account to credit bureaus. For example, late payments, missed payments, or other defaults on your account may be reflected in your credit report.

## **27. UNLAWFUL INTERNET GAMBLING NOTICE**

In accordance with the requirements of the Unlawful Internet Gambling Enforcement Act of 2010 and Federal Reserve Board Regulation GG, restricted transactions are prohibited from being processed through your account or relationship with our institution. Restricted transactions are transactions in which a person accepts credit, funds, instruments or other proceeds from another person in connection with unlawful Internet gambling.

## **28. FUNDS AVAILABILITY POLICY**

The Credit Union has a Funds Availability Policy that generally permits funds from your deposit to be made available to you on the same business day we receive the deposit. There are additional rules regarding the deposit of funds and these are detailed on our Funds Availability Policy. The Funds Availability Policy also governs rules for new accounts and the availability of foreign checks and negotiable instruments.

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