



Whatcom Educational Credit Union

PO Box 9750 • Bellingham WA 98227-9750 • www.wecu.com
360.676.1168 • 800.525.8703 • TTY800.833.6388

Membership and Account Agreement

Table of Contents

- 1. Membership Eligibility1
- 2. Individual Accounts1
- 3. Joint Accounts1
 - a. Rights of Survivorship.....1
 - b. Rights of Joint Account Owners.....1
 - c. Joint Account Owner Liability.....1
- 4. POD Beneficiaries2
- 5. Uniform Transfer to Minors Account (UTTMA).....2
- 6. Accounts for Living Trusts.....2
- 7. Deposit Requirements2
 - a. Endorsements.....2
 - b. Collection of Items3
 - c. Final Payment3
 - d. Direct Deposits3
 - e. Crediting of Deposits.....3
- 8. Account Access.3
 - a. Authorized Signature3
 - b. Access Options3
 - c. ACH and Wire Transfers.....4
 - d. Credit Union Examination.....4
 - e. Electronic Check Transactions.....4
- 9. Account Rates and Fees.....4
- 10. Transaction Limitations.5
 - a. Withdrawal Restrictions5
 - b. Transfer Limitations5
- 11. Overdrafts.....5
 - a. Overdraft Liability.5
 - b. Privilege Pay Overdraft Protection.....5
- 12. Postdated and Stale dated Items7
- 13. Stop Payment Orders.....7
 - a. Stop Payment Request.....7
 - b. Duration of Order.....7
 - c. Liability7
- 14. Lost Items.....7
- 15. Credit Union’s Liability for Errors 8
- 16. Credit Union Lien and Security Interest.....8
- 17. Legal Process8
- 18. Account Information.....8
- 19. Notices.....8
 - a. Name or Address Changes.....8
 - b. Notice of Amendments.....8
 - c. Effect of Notice.....8
- 20. Taxpayer Identification Numbers (TIN) and Backup Withholding9
- 21. Statements.....9

a. Contents.....	9
b. Examination	9
c. Notice to Credit Union	9
22. Inactive and Abandoned Accounts	9
23. Death of Account Owner	9
24. Termination of Account.....	10
25. Termination of Membership	10
26. Special Account Instructions.....	10
27. Severability	10
28. Enforcement	10
29. Governing Law.....	10
II. FUNDS AVAILABILITY POLICY.....	11
1. General Policy	11
2. Reservation of Right to Hold.....	11
3. Holds on Other Funds.....	11
4. Longer Delays May Apply.....	11
5. Deposits at non-WECU ATMs.....	11
6. Substitute Checks and Your Rights.....	12
a. Substitute Checks	12
b. Your Rights Regarding Substitute Checks.....	12
c. Refund Claims.....	12
III. ELECTRONIC FUNDS TRANSFERS	12
1. General.....	12
2. Services.....	13
a. VISA Debit Card	13
b. Direct Deposit.....	13
c. Tele-Max (Audio Response) and E-Max (Online Banking) Access	13
3. Service Limitations.....	14
a. ATM Machines.	14
b. Visa Debit Card	14
c. Tele-Max (Audio Response).....	14
d. E-Max (Online Banking).....	14
e. E-Pay (Electronic Bill Payments)	15
f. Electronic Check Transactions.....	18
4. Conditions of EFT Services	18
a. Ownership of Cards	18
b. Honoring the Card	18
c. Security of PIN and Max-Code	19
d. Currency Conversion/Foreign Transaction Fee	19
5. Member Liability	19
6. Business Days.....	20
7. Fees and Charges	20
8. Transaction Documentation.	20
a. Confirmation Numbers	20
b. Periodic Statements	20
c. Direct Deposits	20
d. Terminal Receipt	20
9. Account Information Disclosure	20
10. Credit Union Liability for Failure to Make Transfers.....	20
11. Preauthorized Electronic Fund Transfers.	21
a. Stop Payment Rights	21
b. Notice of Varying Amounts.....	22
c. Liability for Failure to Stop Payment of Preauthorized Transfers.....	22
12. Termination of EFT Services	22

13. Notices	22
14. Billing Errors.....	22
15. ATM Safety Notice.....	23
16. Enforcement	23
IV. PRIVACY POLICY	23
1. Our Privacy Pledge	23
2. Member Information We Collect.....	23
a. Application Information	23
b. Your Transactions	23
c. Credit Reports	24
d. Online	24
3. Member Information We Share.....	24
a. Sharing Information with Third Party Service Providers	24
b. Sharing Information as Legally Required or Permitted	24
4. Our Confidentiality and Security Safeguards	24
5. Online Privacy Protections.....	24
6. Protecting Children’s Information Privacy	25
7. Privacy Policy Inquiries.....	25
8. New Account Procedures.....	25

WHATCOM EDUCATIONAL CREDIT UNION MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement is the contract of deposit that covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. In this Agreement, the words “you” and “yours” mean those who sign the Membership and Account Card (“Account Card”). The words “we,” “us,” and “our” mean Whatcom Educational Credit Union (“Credit Union”). The word “account” means any one or more Savings, Checking, Money Market Checking, and Term Savings Certificate accounts you have with the Credit Union.

The classification and form of ownership of your accounts are designated on your Account Card. Unless you waive your rights, you understand that certain account designations, such as a joint ownership with right of survivorship or POD beneficiary may be invalidated upon the Credit Union’s receipt of notice of marriage dissolution or a testamentary disposition, as required by applicable law. By signing the Account Card or online Account Card that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer provisions, Privacy Policy and the Truth in Savings Disclosures (Rate and Fee Schedule) accompanying this Agreement, any account receipt, the Credit Union’s Bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

I. MEMBERSHIP AND ACCOUNTS

- 1 Membership Eligibility.** To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union’s field of membership and you must satisfy the membership requirements set forth in the Credit Union’s Bylaws. You authorize us to check your account, credit and employment history, and obtain a credit report from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request or for collection purposes.
- 2 Individual Accounts.** An individual account is an account owned by one depositor including any individual, corporation, partnership, trust, 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 (“POD”) beneficiary, if applicable.
- 3 Joint Accounts.** An account owned by two or more persons is a joint account.
 - a. Rights of Survivorship.** If your account is a joint account, the account is owned as a joint account with rights of survivorship unless otherwise stated on the Account Card. Upon the death of one of the joint account owners, that person’s interest will become the property of the surviving joint account owners.
 - b. Rights of Joint Account Owners.** Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature of the other owners.

Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any funds in any account, including funds representing membership savings, without the consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s) and 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.

- c. Joint Account Owner Liability.** 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.

- 4 POD Beneficiaries.** A Payable on Death (POD) designation is an instruction to the Credit Union that a designated account is an account payable to the owner or owners during their lifetimes, and upon the death of the last joint account owner, payable to any named and surviving POD beneficiary designated on your Account Card. Accounts payable to more than one POD beneficiary are owned jointly by such beneficiaries with right of survivorship. Any POD beneficiary designation shall not apply to IRA accounts, ESA accounts, or HSA accounts which shall be governed by a separate beneficiary designation. Savings Certificate accounts will be governed by the POD beneficiary designation on the account card unless a separate beneficiary designation form is signed by all account owners. The Credit Union shall at no time have any obligation to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law.
- 5 Uniform Transfer to Minors Account (UTMA).** For any account established by or for a minor, the custodian listed on the Account Card agrees to 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, the custodian for the exclusive right and benefit of the minor shall hold all funds in the account. The Credit Union may make payments of funds directly to the minor without regard to his or her minority unless the Credit Union has received written notice from the custodian to withhold payment and the Credit Union has had a reasonable time to act on the notice. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The minor account owner's tax identification number must be shown on the Card. When the minor reaches age 18, the minor may change the account status to an individual or joint account. The Credit Union shall not change the account status when the minor reaches age eighteen (18), unless authorized in writing by all account owners.
- 6 Accounts for Living Trusts.** An account of 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 provide such evidence of the trustee's authority as the Credit Union requires. Trustee warrants that a valid living trust has been created, currently exists, 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). Trustee agrees to notify the Credit Union in writing if a change of trustee occurs. Credit Union may withhold payment of funds to any party until proper evidence of authority is provided. Credit Union may rely upon the directions of any one trustee until a written notice of revocation of the living trust or an Account Change 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 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.
- 7 Deposit Requirements.** Funds may be deposited to any account in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule. You agree not to deposit any substitute check or similar item that you have created, or for which no bank has made the substitute check warranties and indemnity prescribed under Regulation CC. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent. All accounts are non-assignable and nonnegotiable to third parties. Term Savings Certificate accounts are governed by the terms of this Agreement and the Term Savings Certificate Receipt and dividend transfer election form, if applicable, for each account, which is incorporated herein by this reference.

 - a. Endorsements.** You authorize the Credit Union, in its discretion, to accept transfers, checks, and other items for deposit into any of your accounts, whether or not they are endorsed by all payees. You authorize the Credit Union to supply missing endorsements if the Credit Union chooses to supply such endorsements. 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. If insurance, government, and certain other checks require an endorsement as set forth on the back of the check, the Credit Union may require endorsement as set forth on the check. Endorsements must be placed in the

space on the back of the check between the top edge and 1½ inches from the top edge. The Credit Union may accept checks with endorsements outside this space. However, if any such endorsement or other markings you or any prior endorser make on the check cause any delay or error in processing the item for payment, you will be responsible for any loss incurred by the Credit Union due to the delay or error.

- 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. 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.
- c. Final Payment.** 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. If an item or ACH 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. 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.
- d. Direct Deposits.** 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 deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon a 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.
- e. Crediting of Deposits.** Deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union. Items drawn from an institution located outside the United States are handled on a collection basis only. Funds will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

8 Account Access.

- a. Authorized Signature.** In order to access any account, the Credit Union must have an authorized signature of yours on an Account Card. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature, the Credit Union may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person.
- b. Access Options.** You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), in person, by mail, automatic transfer, or telephone). If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for

handling the check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union.

c. 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 may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. 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. 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.

d. Credit Union Examination. 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.

e. Electronic Check Transactions.

- **Electronic Checks.** 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 III. 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 III. Electronic Funds Transfer 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 re-credit 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 re-credited due to a prior stop payment order or if the item is otherwise ineligible for collection.

9 Account Rates and Fees. The Credit Union’s payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth on the Rate and Fee Schedule which is incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the deposit account services provided by the Credit Union. A current Rate and Fee Schedule has been provided to you separately. You agree the Credit Union may change the Rate and Fee Schedule from time to time and you will be notified of such changes as required by law.

10 Transaction Limitations.

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

The Credit Union may also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checks of not less than 7 days and up to 60 days, as required by law, before such withdrawal). Credit Union reserves the right to request government issued picture identification for any withdrawal over \$250.00.

b. Transfer Limitations. From Savings accounts, you may make up to six (6) preauthorized, automatic, telephone, Tele-Max, or E-Max transfers to another account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with the Credit Union to pay a third party from the member's account upon oral or written orders, including orders received through the automated clearing house (ACH). There is no limit on the number of transactions you may make in the following manner: (i) transfers to any loan account with the Credit Union; (ii) transfers to another Credit Union account or withdrawals (checks mailed directly to you) when such a transfer or withdrawal is initiated in person, by mail or at an ATM. If a transfer requested 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.

11 Overdrafts.

a. Overdraft Liability. If on any day, the available funds in your checking account are not sufficient to cover checks and other items posted to your account, those checks and items will be handled in accordance with our overdraft procedures. The Credit Union's determination of an insufficient account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. The Credit Union has no duty to notify you of an insufficient funds check. Your account will then be subject to a charge for the item whether paid or returned as set forth in the Rate and Fee Schedule. Except as otherwise agreed in writing, the Credit Union, by covering one or any overdraft, does not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If the Credit Union pays a check that would otherwise overdraw your account, you agree to pay the overdraft amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payer bank extra time beyond any midnight deadline limits.

b. Privilege Pay Overdraft Protection. Whatcom Educational Credit Union offers a discretionary overdraft payment service, "Privilege Pay" under the following terms and conditions.

If we approve your request for overdraft protection (Privilege Pay), we will provide an overdraft protection plan for you. We will honor drafts drawn on insufficient funds in any checking account by transferring the necessary funds from another deposit account of yours to your checking account. The fee for overdraft transfers is set forth on the Rate and Fee Schedule. Transfers from a deposit account will be governed by this Agreement.

- Discretionary Service. The Credit Union offers the Privilege Pay service to all eligible consumer checking account owners, based on length of time as a Credit Union member and overall

relationship with the Credit Union. The Privilege Pay service will be provided if you qualify once checking account has been open for 30 days and will continue as long as the account is maintained in good standing with the Credit Union. New accounts (open less than 30 days) and accounts of minors are not eligible. Under the Privilege Pay service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient funds. The Credit Union may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to an approved overdraft limit under the terms of this service and subject to your Membership and Account Agreement. This overdraft service is not a line of credit, is not guaranteed, and is independent of any other payment arrangement we may offer. Generally, we will not pay an overdraft for you in excess of any limit we have established for your account type. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We will notify you by mail (or email, if you have requested) of any insufficient funds, checks, or items paid or unpaid and returned that you may have. However, we have no obligation to notify you before we pay or return any item.

- Overdraft Transactions Covered. If on any day you do not have available funds in your account, the following transactions, which may result in an insufficient or negative balance (“overdrafts”), may be covered under our service: checks, debit card purchases, online or other electronic funds transfers, ACH debits and other payments or withdrawals authorized by you, account service charges, pre-authorized drafts, and any other items that may be posted to your account. We reserve the right to pay any checks or items in the order they are presented or received and in accordance with our normal operating procedures for such checks items or transactions.
- Overdraft Limit/Available Balance. We will notify you by separate letter of the overdraft limit to which you qualify. We may pay overdrafts up to this overdraft limit provided you otherwise qualify for the service. The Credit Union’s fees and charges and each paid check or item will be included in this limit. This overdraft balance will not be included or reflected in your actual or “available balance” of your account provided by a teller, at ATM or POS facilities, through online services or on your periodic statements.
- Overdraft Fees. The fee for each paid overdraft is \$ 13.00 per check or item. If we do not pay the overdraft, there is a NSF/Returned Item fee of \$13.00 per check or item. There is no limit on the number of overdrafts paid or overdraft fees incurred on any one day. These fees may be amended as set forth in our rate and fee schedule. If there are funds in your savings account, we will automatically transfer funds in increments of \$100 to cover the overdraft. You may choose which savings account you want the transfer to come from. A \$2.00 transfer fee will be charged for this automatic transfer.
- Member Repayment Responsibility. You agree your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 35 days of notice from us, we may immediately suspend the overdraft service. Accounts may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies. We may impose a \$25 account closure fee.
- Member Opt-Out Right. The Credit Union offers the Privilege Pay service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt out of the Privilege Pay service at any time by notifying the Credit Union in writing. The Credit Union may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, the Credit Union may refuse to pay any check or item that is presented against an insufficient balance on your account and you will be responsible for any NSF/Returned Item fees. You are still responsible to pay any overdraft, even if you have opted out of the service.
- Credit Union Contact. For any questions or to exercise your opt-out right from the Privilege Pay

service, you may call the Credit Union at 360.676.1168, toll free 800.525.8703 or TTY 800.833.6388 or write Whatcom Educational Credit Union, PO Box 9750., Bellingham, WA 98227-9750.

- 12 Postdated and Stale dated Items.** You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union may charge your account as of the date the Credit Union pays the item. You may make an oral notice, which will lapse within fourteen (14) days unless continued in writing, within that time. A written notice will be effective for six (6) months. A written notice may be renewed in writing from time to time. You also agree not to deposit checks or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check drawn on your account which is presented more than six months after its date.
- 13 Stop Payment Orders.**
- a. Stop Payment Request.** You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail, or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order. For ACH debits, the stop payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the account, date and the exact amount of the check or ACH and the number of the check or originator of the ACH debit. 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 re-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 all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.
 - b. Duration of Order.** You may make an oral or written stop payment order. Both will be effective for six (6) months. You may renew a stop payment from time to time. The Credit Union is not obligated to notify you when a stop payment order expires.
 - c. Liability.** The Credit Union may charge a fee for each stop payment order requested, as set forth on the Rate and Fee Schedule. If you request us to stop payment on any official check, teller's check, or any other check or payment guaranteed by the Credit Union, we will require your indemnification as a condition to such a request. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.
- 14 Lost Items.** The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items should they become lost in the collection process.
- 15 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 non-actions 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 Account Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

- 16 Credit Union Lien and Security Interest.** To the extent you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, the Credit Union has a lien on any or all of the funds in any account in which you have an ownership interest at the Credit Union, regardless of the source of the funds. The Credit Union may apply these funds in any order to pay off your indebtedness. 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 non-assignable and non-transferable to third parties.
- 17 Legal Process.** If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal process, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.
- 18 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 transaction 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.
- 19 Notices.**

 - a. Name or Address Changes.** It is your responsibility to notify the Credit Union upon a change of address or change of name. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to the Credit Union. The Credit Union will accept verbal notices of a change in address and may require any other notice from you to the Credit Union be provided in writing to a branch manager or officer of the Credit Union. If the Credit Union attempts to locate you, the Credit Union may impose a service fee as set forth on the Rate and Fee Schedule.
 - b. Notice of Amendments.** Except as otherwise prohibited by applicable law, the terms of the Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates or fees as required by law. You or any account holder may change the account ownership and types of accounts or services at any time without the consent of all other account holders. An account holder may add a certificate or sub savings account, change the address and/or phone number, and add or delete payroll deposits and periodic payments. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. You agree that oral instructions are binding and agree to hold the Credit Union harmless from any liability arising as a result of such instructions. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.
 - c. Effect of Notice.** Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Any written notice the Credit Union gives to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

20 Taxpayer Identification Numbers (TIN) and 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 required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account, or you may request a non-dividend bearing account until a TIN is provided.

21 Statements.

a. Contents. If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. You agree to keep a copy of your original check in order to verify its validity. Check copies will be retained by Credit Union and made available upon your request for a fee as set forth in the Rate and Fee Schedule. You understand statements and checks are made available to you on the date the statement is mailed to you, unless you have requested that they be made available to you electronically, in which case you understand and agree that they are made available on the date you are notified of their availability. You also understand and agree that drafts or copies including electronic images, if applicable, are made available to you on the date the statement is mailed to you, or otherwise made available electronically if agreed to by you, even if the drafts do not accompany the statement. If you fail to provide us with a correct address or we are otherwise unable to locate you to deliver your statement, we may suspend mailing statements.

b. Examination. You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, or unauthorized item drawn on your account if: (1) you fail to notify the Credit Union within thirty (30) days of the mailing date of the earliest statement and availability of checks containing any forgery, alteration, or unauthorized signature on the item; or (2) any items forged or altered in a manner not detectable by a reasonable person including the unauthorized use of a facsimile signature machine.

c. Notice to Credit Union. You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements and check copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and checks are made available to you.

22 Inactive and Abandoned Accounts. If you have an account with a balance less than \$100 that you have not made a withdrawal from, deposit to, or transfer involving your account for more than one (1) month for Checking accounts and one (1) year for Savings accounts, the Credit Union may classify your account as an inactive account and may charge a monthly fee as set forth on the Rate and Fee Schedule, until closed by the member. Thereafter, dividends will not be paid on the account if the balance falls below any minimum balance requirement. The Credit Union will notify you at your last known address prior to imposing any fee as required by law. If a deposit or withdrawal has not been made on the account and the Credit Union has had no other contact with you for three (3) years as required by the Uniform Unclaimed Property Act, the account will be presumed to be abandoned. Funds in abandoned accounts will be remitted in accordance with state law. Once funds have been turned over to the state, the Credit Union has no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

23 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. 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 indemnify the Credit Union for any losses resulting from honoring that claim.

- 24 Termination of Account.** The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) if there are excessive returned unpaid items not covered by an overdraft protection plan; or (6) if there has been any misrepresentation or any other abuse of any of your accounts. You may terminate your account at any time by notifying the Credit Union by oral direction or in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for payment.
- 25 Termination of Membership.** You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be denied services or expelled from membership for any reason allowed by applicable law, including causing a loss to the Credit Union. In addition, any member who has verbally or physically abused or threatened an employee or another Credit Union member may be expelled for cause.
- 26 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. You and any surviving owner or beneficiary agree(s) to indemnify and hold the Credit Union harmless from any claim or liability asserted against the Credit Union as a result of the disposition of funds in reliance on this Agreement and any account designations of yours. 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, 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. You agree that any electronic signature of yours or the Credit Union contained in any communication transmitted or captured by electronic means shall be sufficient to verify that such party originated such communication and to operate as a signature of such party for purposes of any provision of this Agreement that requires a signed writing. You understand that the Credit Union may choose to retain electronic or imaged copies of any original documents and you agree that an electronic or imaged copy is valid as an original document.
- 27 Severability.** In the event that 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.
- 28 Enforcement.** You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.
- 29 Governing Law.** This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the State of Washington and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of

the county in which the Credit Union is located.

II. FUNDS AVAILABILITY POLICY

- 1 **General Policy.** For Savings accounts, we reserve the right to place reasonable holds on deposited funds to the extent permitted by law. For checking accounts our policy is set forth below.

Our policy is to make funds from your deposits to your checking account available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. We have different deposit cutoff hours for different locations. If you make a deposit before our cutoff hour on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our cutoff hour or on a day we are not open, we will consider that the deposit was made on the next business day we are open. The Credit Union may hold deposits to savings accounts and any deposits of checks drawn on foreign financial institutions for a reasonable period at the Credit Union's discretion.

- 2 **Reservation of Right to Hold.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$100.00 of your deposit will be available on the first business day. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.
- 3 **Holds on Other Funds.** If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.
- 4 **Longer Delays May Apply.** We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:
 - a. We believe a check you deposit will not be paid.
 - b. You deposit checks totaling more than \$5,000 on any one day.
 - c. You deposit a check that has been returned unpaid.
 - d. You have overdrawn your account repeatedly in the last six months.
 - e. There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

- 5 **Deposits at non-WECU ATMs.** For deposits made at ATMs we do not own (non-WECU ATMs), we may hold the availability of such fund deposits up to three (3) business days. The Credit Union does not accept deposits at WECU ATMs. ATMs owned by us are designated as WECU ATMs.

6 Substitute Checks and Your Rights.

- a. Substitute Checks.** To make check processing faster, federal law permits financial institutions to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your checks. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive back from us may be substitute checks. This notice describes the rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other laws with respect to those transactions.
- b. Your Rights Regarding Substitute Checks.** In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are entitled to dividends on the amount of your refund if your account is a dividend bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other laws.

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

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

- c. Refund Claims.** If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by calling 360.676.1168 or 800.525.8703 or TTY 800.833.6388, sending us an E-mail at memberservices@wecu.com, or writing to us at Whatcom Educational Credit Union, PO Box 9750, Bellingham, WA 98227-9750. You must contact us within forty (40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances. Your claim must include:

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

III. ELECTRONIC FUNDS TRANSFERS

- 1 General.** The following terms and conditions cover your and our rights and responsibilities concerning electronic fund transfer (EFT) services offered to you by Credit Union. In this Agreement, the words “you” and “yours” mean those who sign the application as applicants, joint owners or any authorized users. The word “account” means any one or more deposit accounts you have with the Credit Union. By signing the account card or signing or using a VISA Debit Card, ATM Card or Tele–Max (audio response) Service, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any amendments.

Electronic funds transfers (“EFTs”) are electronically initiated transfers of money through direct deposits, automated teller machines (“ATMs”) Tele–Max (audio response) transactions, and VISA Debit Card purchases involving your deposit accounts at the Credit Union.

2 Services.

a. VISA Debit Card. You may use your card and Personal Identification Number (“PIN”) in ATMs of the Credit Union, The CO-OP Network, Alaska Option, STAR, PLUS, VISA point-of-sale terminals and such other machines we may designate. At the present time, you may use your card to make the following transactions on your accounts:

- Make withdrawals of cash from primary savings or checking accounts;
- Make deposits to your primary savings and checking accounts at deposit-taking ATMs;
- Transfer funds between your primary savings and checking accounts; and
- Obtain balance information on your primary savings and checking accounts.

Funds to cover your card purchases will be deducted from your checking account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union may treat the transaction as an overdraft request pursuant to the overdraft protection plan or may terminate all services under the Agreement.

Non-VISA Debit Transactions

- Some merchants may permit you to initiate debit and bill payment transactions with your card using either the VISA network or another network shown on your card, such as The CO-OP Network, Alaska Option, STAR, and PLUS networks. The Credit Union will honor your debit transactions processed by any of these networks.
- Transactions processed over the VISA network do not require you to use your PIN to validate the transaction. Generally, you will sign a receipt, provide your card number (e.g. internet, mail, or telephone transactions), or swipe your card at a terminal. Also, there are certain protections and rights such as the zero liability protections in the section Member Liability, applicable only to VISA processed transactions.
- Transactions processed over other networks may not require you to use your PIN in order to validate a transaction. Generally, you enter your card number or swipe your card and provide or enter a PIN. However, some merchants may not require you to provide a PIN, and allow you to choose whether the transaction is processed by VISA or another network. Provisions applicable only to VISA transactions (such as VISA’s zero liability protections) will not apply to non-VISA debit transactions and the liability rules for other EFTs in the section titled “Member Liability” will apply.

b. Direct Deposit. Upon instruction of (i) your employer or (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or of Federal recurring payments, such as Social Security.

c. Tele-Max (Audio Response) and E-Max (Online Banking) Access. Once we have approved access to your accounts through the Tele-Max (audio response) service, or E-Max access, a separate six (6) digit Max-Code will be assigned to you. You must use your Max-Code along with your account number to access your accounts. At the present time you may use the Tele-Max (audio response) service, and E-Max to perform the following transactions:

- Obtain balance information from your savings, checking, or certificate/IRA accounts and loan accounts, including VISA.
- Transfer funds between these same accounts (except certificates/IRAs) and accounts of other members that you authorize.
- Make loan payments to any of your loan accounts, including VISA.
- Withdraw funds from savings or checking accounts by check, made payable to you and mailed to

you at your mailing address.

- Access your Timeline and Visa Accounts (loan advance withdrawals will be subject to the Agreement governing the account).
- Verify certain account information, including if a particular check has cleared your checking account, the date of your last payroll deposit, loan payment and loan payoff amounts.
- Make bill payment transfers through the E-Pay bill payment service.
- Obtain transaction history on your checking, savings and loan accounts (up to the last 95 transactions).
- Obtain tax information on dividends earned, interest paid, or IRA contributions from your accounts.
- Submit stop payment orders on checks drawn on your account.

3 Service Limitations.

a. ATM Machines.

- **Withdrawals.** You may make up to fifty (50) cash withdrawals in one day at WECU and non-WECU ATMs. This limitation is inclusive of debit purchase transactions you make with your card. The amount of any transaction is limited to \$500 each day if you have available funds in your account. Any charges applicable to cash withdrawals are set forth on the Rate and Fee Schedule.
- **Deposits.** The servicing and processing schedule time 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.

b. Visa Debit Card.

You may make up to fifty (50) debit purchases in any one day at participating merchants and POS terminals. This limitation is inclusive of ATM transactions you make with your card. The amount of any transaction is limited to \$1,500 each day if you have available funds in your account. You may not use the Debit Card or account for any illegal or unlawful transaction, and we may decline to authorize any transaction we believe may be illegal or unlawful. You agree that we have no liability for your use of the debit card or account for any illegal or unlawful transaction.

c. Tele-Max (Audio Response).

Your accounts can be accessed using audio response via a touch-tone telephone only. Not all push-button phones are touch-tone. Converters may be purchased for pulse and rotary dial phones. Tele-Max is available for your convenience seven (7) days per week. This service may be interrupted for a short time each day for data processing. While there is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one day, there are certain limitations on transfers from a savings or daily income account. Transfers from a savings or a daily income account to a check account will be limited to six (6) in any one month. No transfer or withdrawal may exceed the available funds in your account. The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. Check transactions may not exceed the amount in your account. All checks are payable to you as a primary member and will be mailed to your address of record. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. There is no limit on the number of transaction requests you may make during a single phone call.

d. E-Max (Online Banking).

The following limitations on E-Max transactions may apply:

- **Transfers.** You may make funds transfers to your other accounts as often as you like. However, transfers from your savings or money market accounts will be limited to a total of six (6) in any one month. You may transfer or withdraw up to the available balance in your account or up to the available credit limit on a line of credit at the time of the transfer, except as limited under this Agreement or your deposit or loan agreements. The Credit Union reserves the right to refuse any transaction that would draw upon insufficient or unavailable funds, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your postal address of

record. The Credit Union may set other limits on the amount of any transaction and you will be notified of those limits.

- **Account Information.** The account balance and transaction history information may be limited to recent account information involving your accounts. Also, the availability of funds for transfer or withdrawal may be limited due to the processing time for any ATM deposit transactions and our Funds Availability Policy.
- **E-mail.** You may use the E-mail to send messages to us. E-mail may not, however, be used to initiate a transfer on your account or a stop payment request. The Credit Union may not immediately receive E-mail communications that you send and the Credit Union will not take action based on E-mail requests until the Credit Union actually receives your message and has a reasonable opportunity to act. If you need to contact the Credit Union immediately regarding an unauthorized transaction or stop payment request, you may call the Credit Union at the address set forth in Section 4.

- e. E-Pay (Electronic Bill Payments).** When you apply for the E-Pay bill payment service you must designate a single Checking account as the account from which payments that you authorize will be deducted. You may not pay bills from any other account. You will be given the ability to set up merchants, institutions or individuals that you would like to pay. You are not permitted to designate payees outside the U.S., tax entities, collection agencies, and court ordered payments such as alimony, child support, speeding tickets, etc. We reserve the right to not allow the designation of a particular merchant or institution.

You or any persons who you have authorized to use your E-Max service, sign-on password and access code can perform bill payment transactions, including paying any designated merchant, institution or individual in accordance with this agreement a fixed recurring amount or a variable amount “on demand,” from your designated Checking Account and obtaining information (payee information, payment status information, etc.) about your E-Pay account status.

- **E-Pay Transactions.** You authorize us to process E-Pay bill payments from your designated checking account. You may use the E-Pay service to initiate three different types of payment transactions:
 - (a) “Today.” If you designate a payment or transfer as a “Today” transaction, the scheduled initiation date will be the next business day. However, sufficient funds must be available on the day and at the time you request the “Today” transaction. “Today” Bill Payments and Transfers may not be canceled for any reason once you have ended an E-Pay session, as funds are immediately deducted from your designated account.
 - (b) “Future.” If you designate a Bill Payment or Transfer as a “Future” transaction, you may request the transaction to be made on a future date that you may designate up to 364 days in advance of the Scheduled Initiation Date. The processing date will be the effective date you entered, or the next business day should the effective date fall on a weekend or holiday. Sufficient funds must be made available by midnight of the night before the processing date, but will be deducted from your designated account on the Scheduled Initiation Date. “Future” transactions may be canceled or changed until 12:00 midnight of the night before the Scheduled Initiation Date.
 - (c) “Recurring.” If you designate a Bill Payment or Transfer as a “Recurring” transaction you may request, and the Credit Union will use, a Scheduled Initiation Date that reoccurs on a specified regular basis (i.e., weekly, bi-weekly, monthly, etc.) you will designate a “start” and “end” date. Sufficient funds must be available by midnight of the night before the Schedule Initiation Date, but will be deducted from your designated account on the Scheduled Initiation Date. “Recurring transactions may be cancelled or changed until 12:00 midnight of the night before the Scheduled Initiation Date.
- **Authorized Payments.** When you transmit an E-Pay instruction to us, you authorize us to transfer funds to make the E-Pay transaction from your Checking account. We will process E-Pay transfer requests only to those payees the Credit Union has designated in its User Instructions and such payees as you authorize and for whom the Credit Union has the proper payee code number. The Credit Union will not process any E-Pay transfer if we know the required transaction information

is incomplete. In any event, the Credit Union will not be liable for any transaction that contains incorrect information that the Credit Union was not responsible for entering or knowing. If there are insufficient funds in your account to make the E-Pay request, we may either refuse to make the payment or make the payment and transfer funds from any overdraft protection account you have established. The Credit Union reserves the right to refuse to process payment instructions that reasonably appear to the Credit Union to be fraudulent or erroneous.

- **Processing Payments.** Bill Payments you make through E-Pay will be deducted from your designated funding account. You may utilize E-Pay to make Bill Payments to a maximum of up to 45 payees. Any payee you wish to pay through E-Pay must be payable in U.S. Dollars and located in the United States. Each payee name must appear on the payee list you create with us and the account you are paying with must be in your name. You may not use E-Pay to make payments to a federal, state or local governmental or tax unit, or to other categories of payee that you establish from time to time.

Funds must be taken out of your designated funding account on the Scheduled Initiation Date entered by you. In many cases, your Bill Payments are electronically delivered to the payee within two business days of the Scheduled Initiation Date. However, some payees are not set up to accept electronic payment. In these cases, a check will be sent, which may take five business days to process and deliver to the payee. The E-Pay service will provide an indication of how many days to allow for each payee you designate.

You must allow sufficient time (2 or 5 business days, as indicated) for E-Pay to receive your request and process the Bill Payments so that the funds can be delivered to the payee before the payment due date, or for mortgage payments, on or before the due date (the due date shown on your invoice or provided in your agreement with the payee, not taking into account any grace period provided by the payee). If you do not allow sufficient time, you will assume full responsibility for all late fees, finance charges, or any other actions taken by the payee, or was received late, we will assume responsibility.

If your E-Pay bills are inactive for sixty (60) days, your bills will be deleted.

- **Transfers**
 - (a) **Transfers between Accounts at Other Financial Institutions.** Transfers between your Credit Union account and account(s) held at other financial institutions are accomplished through an automated clearing house (ACH) debit against the account funds are being transferred from and an ACH credit to the account(s) funds that are being transferred to. In order to be accessible by E-Pay, accounts maintained at the other financial institutions (foreign accounts) must be either a checking or savings account and must be your accounts. You must provide the name of the financial institution, the account number, and a transit-routing number. In most cases, you will need to submit a canceled or voided check or deposit slip. Funds from these transfers will be available for withdrawal in accordance with the funds availability policy of the institution(s) holding the account that received the funds. Generally, the account holding institution will receive the funds no later than four business days following the Scheduled Initiation Date. For “Today” Transfers made during a session, you must schedule the transaction as a “Today” Transfer before 3:00 pm on a Credit Union business day for the Scheduled Initiation Date to be that day. Otherwise, “Today” Transfers scheduled after 3:00 pm, or on a weekend or holiday will have a Scheduled Initiation Date of, and thus will be initiated on, the following Credit Union business day. To transfer funds between two financial institutions other than the Credit Union, you must transfer funds from one institution into a designated funding account at the Credit Union and then transfer funds from your Credit Union designated funding account to the second institution.
 - (b) **Transfers between Credit Union Accounts.** You may designate multiple accounts at the Credit Union between which you may transfer funds electronically through E-Pay. All these accounts must be in your name. Although you receive immediate provisional credit upon completion of your E-Pay session for “Today” transfers made during that session, you must make transfers before 9:00 a.m. on a banking day for those funds to be posted on an

account that day and made available for non-E-Pay transactions. Transfers designated as “Today” transactions made after 9:00 a.m., or on a weekend or holiday, will be available for the payment of non-E-Pay transactions on the following banking day. “Today” transfers cannot be canceled. Transfers designated as “Future” or “Recurring” transactions will be processed by 9:00 a.m. of the Scheduled Initiation Date for provisional credit (i.e., for E-Pay Bill Payments, and cash withdrawals at ATMs or banking centers), and will post and be available by the next banking day for payment of non-E-Pay transactions. If the Scheduled Initiation Date falls on a weekend or holiday, the transfer will occur on the next banking day. Future-dated transfers may be changed or cancelled until 12:00 midnight of the night before the processing date.

- Limitations on E-Pay Services. There is a dollar limit of \$5,000 (or the available balance in your designated funding account on any payment or transaction. All Bill Payments and Transfers initiated through E-Pay are subject to there being sufficient funds available in the affected account to cover the transfer on the Scheduled Initiation Date or earlier.
- Canceling or Changing Payments. Payments designated as “Today” transactions cannot be stopped, canceled, or changed once your E-Pay session is terminated. Except as stated below, in order to request a stop payment or change an E-Pay transaction designated as “Future” or “Recurring,” you must use E-Pay and follow the instructions provided to you. You must cancel the payment or transfer using E-Pay by 12:00 midnight of the day before the scheduled processing day.

You understand we will only accept a verbal or written notice to stop an E-Pay transaction if it related to a payment designated as “Recurring” and only if the notice is received at the address and phone number listed in Section 5 of this Agreement no later than three business days before the scheduled date of the payment or transfer. If you call, we may also require you to request in writing and get it to us within fourteen days after you call. The notice must detail whether the cancellation applies to only one of the recurring transactions, or all transactions in the recurring stream. You understand that your written notice will only be accepted at the address and phone number listed in Section 5 of this Agreement.

- Payment Guarantee. If a properly scheduled payment is not received and posted on time by the payee, we will attempt to remove any late fees or assessed finance charges. (Finance charges are calculated based on your payment amount rather than your entire balance.) If the payee is unwilling or unable to remove them, we will pay the fees and finance charges directly to the payee. In addition, we will attempt to add a note of explanation to your account to ensure that the situation does not negatively impact your credit rating. The Payment Guarantee applies to late fees and/or finance charges associated with the late posting of a payment, provided that the payment was scheduled to be delivered on or before the due date of your bill, excluding any grace periods. (The one exception to this guideline is that mortgage payments may be schedule so that the payment is sent on or before the due date, excluding grace periods. For example, a mortgage payment due on July 1st, with a 15-day grace period, must have a “Send On” date no later than July 1st.) Note: the information supplied by you must be correct (payee name and address, your name and account number as it appears on the payee’s records). The following payees are allowed but not covered under this Payment Guarantee:
 - (a) Payments to payees with Armed Forces postal codes (AP, AE)
 - (b) Payments to settle securities transactions
 - (c) Payments to payoff special or delayed financing for purchases
 - (d) Payments that failed due to insufficient funds or other reasons
 - (e) Payments to credit counseling agencies who pay creditors on your behalf

Payments to the following prohibited payees are not permitted through this service, and are not covered under this Payment Guarantee.

- (a) Payments to payees outside of the United States
 - (b) Court-ordered payments such as alimony, child support, speeding tickets, etc.
 - (c) Tax entities
 - (d) Collection agencies.
- **Expedited Payment Guarantee:** If a Properly Scheduled Expedited Payment (defined below) is not received and posted by the payee as of the scheduled payment date, you will not be responsible for any Penalties (defined below) that arise due to the failure of such payment to post on the scheduled date and we will refund you the service fee associated with such payment. We will first attempt to have any such Penalties removed, and if the payee is unwilling or unable to remove them, we will pay the fees and finance charges directly to the payee. In addition, we will attempt to have your payee account noted appropriately to ensure that the situation does not negatively impact your credit rating. "Penalties" are defined as late fees or finance charges that are assessed on the Properly Scheduled Expedited Payment amount that did not post on the scheduled payment date, not those based on your total outstanding balance. A "Properly Scheduled Expedited Payment" is defined as a payment that:
 - (a) was made from an account that has sufficient funds for the payment and any fees associated with the payment;
 - (b) was scheduled to be delivered on or before the due date of your bill, excluding any grace periods. (The one exception to this guideline is that mortgage payments may be scheduled so that the payment is sent on or before the due date including grace periods. For example, a mortgage payment due on July 1st, with a 15-day grace period, must have a "Deliver By" date no later than July 15th.);
 - (c) the service indicates is deliverable on or prior to the applicable due date;
 - (d) was not made for any of the following types of transactions:
 - i. Payments that failed due to insufficient funds or other reasons
 - ii. Payments to settle securities transactions
 - iii. Payments to payoff special or delayed financing for purchases
 - iv. Payments to credit counseling agencies who pay creditors on your behalf
 - v. Payments to payees outside of the United States
 - vi. Court-ordered payments such as alimony, child support, speeding tickets, etc.
 - vii. Tax entities
 - viii. Collection agencies
 - (e) the information supplied by you is correct (payee name and address, your name and account number as it appears on the payee's records);
 - (f) does not cause you to exceed any applicable risk management limits
 - (g) was scheduled when the system was available; and
 - (h) the payment complies with the payee's policies.
- f. Electronic Check Transactions.** 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, including any written sign provided by the merchant at the time 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 the "Member Liability" section. You remain responsible for notifying us of any unauthorized check transaction shown on your statement.
- g. Conditions of EFT Services.** The use of your card and account are subject to the following conditions:
- **Ownership of Cards.** Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. The card may be repossessed at any time in our sole discretion without demand or notice. You cannot transfer your card or account to another person.
 - **Honoring the Card.** Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant

agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

- **Security of PIN and Max-Code.** The Personal Identification Number (PIN) or Max-Code (E-Max/Tele-Max access code) issued to you is for your security purposes. The access codes are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. If you authorize anyone to have or use your access codes, you understand that person may use the E-Max/Tele-Max service to review all of your account information and make account transactions via E-Max and Tele-Max or ATM Point-of-Sale transactions with your card or PIN. Therefore, we are entitled to act on transaction instructions received using your access codes and you agree that the use of your access codes will have the same effect as your signature authorizing transactions. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes that authority shall continue until you specifically revoke such authority by notifying the Credit Union. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your card and account services immediately. You understand that all account owners have been issued an E-Max/Tele-Max access code. If you authorize or permit anyone else to have or use your E-Max/Tele-Max access code, all owners and authorized users will have full access to the E-Max/Tele-Max service to review all deposit and loan account information of any owner and may use E-Max/Tele-Max to make account transactions on any deposit or loan accounts of any owner.
- **Currency Conversion/Foreign Transaction Fee.** Purchases and cash advances made in foreign countries will be billed to you in U.S. dollars. The currency conversion rate for international transactions as established by VISA International, Inc. 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 Foreign Transaction Fee of 1% of the transaction amount for any card transaction made in a foreign country and .80% of the transaction amount for Internet merchants that bill through a foreign financial institution.

h. Member Liability. 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. Tell us at once if you believe anyone has used your Account, Card or access code and accessed your accounts without your authority or if you believe that an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. For VISA Debit Card purchase transactions, if you notify us of your lost or stolen card, you may not be liable for any losses provided you were not grossly negligent (for example keeping your PIN with your Card is gross negligence) 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 except electronic check transactions, if you tell us of the unauthorized use of your account 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 our 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 including made by Card, access code or other means, 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 following amounts if we can prove that we could have stopped someone from making the transfers if you had told us in time: (i) for unauthorized Debit Card purchase transactions --up to the limits set forth above and (ii) for all other unauthorized EFT transactions --up to the full amount of the loss. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, notify us:

During business hours call:

360.676.1168 • 800.525-8703 • TTY 800.833.6388

After hours call:

800.682.6075

Write to:

Whatcom Educational Credit Union
PO Box 9750
Bellingham, WA 98227-9750

- i. Business Days.** For purposes of determining the daily transaction limitations, one day means a twenty-four (24) hour period beginning and ending at midnight.
- j. Fees and Charges.** There are certain charges for electronic fund transfer services as set forth on the Schedule of Fees. You agree to have the service fees deducted from your account on the day the transaction is posted to your account. There are no charges for E-Max online services (including E-Pay) at the present time. From time to time, the charges may be changed and we will notify you of any changes as required by law. If you request a transfer or check withdrawal from your line of credit account, such transactions may be subject to charges under the terms and conditions of your applicable Loan Agreement. When you use an ATM not owned by us, you may be charged a fee by the ATM operator (or any network used). If you make more than five (5) ATM withdrawals at non-WECU ATMs in any calendar month, there is a \$.50 fee per withdrawal. There is no fee for obtaining cash withdrawals at WECU ATMs.
- k. Transaction Documentation.**
- **Confirmation Numbers.** Upon completion of a transaction using E-Pay, a confirmation number will be given. You should record this number, along with the payee, scheduled date and transaction amount in your checkbook register (or other permanent record), because this will help in resolving any problems that may occur. No printed receipts are issued through E-Pay.
 - **Periodic Statements.** Withdrawals, transfers, deposits, and purchase transactions through an ATM, POS terminal, participating merchant, Tele-Max, E-Max or kiosk, as applicable, will be recorded on your periodic statement, which will be sent by mail or electronically, if you have requested electronic statements. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly. You may request that your statement be provided electronically.
 - **Direct Deposits.** If you have arranged to have a direct deposit made to your account at least once every sixty (60) days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit was made by calling the phone numbers listed above. This does not apply to transactions occurring outside the United States.
 - **Terminal Receipt.** You will receive a receipt at the time you make a transaction using an ATM, POS terminal or with a participating VISA merchant, except some electronic terminals will not provide receipts for transactions of \$15 or less.
- l. Account Information Disclosure.** We will maintain the confidentiality and privacy of your electronic funds transaction information in accordance with our privacy policy as stated on our website at: www.wecu.com. However, we may disclose information to third parties about your account or the transfers you make:
- As necessary to complete transactions;
 - To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
 - To comply with government agency or court orders;
 - If you give us your express permission.
- m. Credit Union Liability for Failure to Make Transfers.** The Credit Union is responsible only for

exercising ordinary care in making payment upon your authorization and for mailing or sending a payment to the designated payee. We are not liable in any way for damage you incur if you do not have sufficient funds in your account to make the payment on the processing date, if the estimate of time to allow for delivery to the payee is inaccurate, or due to delays in mail delivery, changes of merchant address or account number, the failure of any merchant to account correctly for or credit the payment in a timely manner, or for any other circumstances beyond the Credit Union's control.

We will attempt to notify you by telephone on the Scheduled Initiation Date if a Bill Payment is not processed because there are insufficient funds available in your account. We are not responsible if we are not able to reach you, whether or not this is due to events beyond our control. Moreover, to take advantage of this service, you must keep us aware of any changes in your current home or business phone numbers. In all cases, you are responsible for either making alternate arrangements for the payment, or rescheduling the payment through E-Pay. In no case will we automatically resubmit a payment for you after funds have become available. Our sole responsibility for an error in a transfer will be to correct the error. You agree that neither we nor the service providers shall be responsible for any loss, property damage or bodily injury, whether caused by the equipment, software, Credit Union, or by Internet browser providers such as Netscape (Netscape Navigator browser) and Microsoft (Microsoft Internet Explorer browser), or by Internet access providers or by online service providers or by an agent or subcontractor of any of the foregoing. Nor shall we or the service providers be responsible for any direct, indirect, special or consequential economic or other damages arising in any way out of the installation, download, use, or maintenance of the equipment, software, E-Max services and E-Pay services, or Internet browser or access software. In this regard, although we have taken measures to provide security for communications from you to us via the E-Max services and E-Pay services and may have referred to such communication as "secured," we cannot and do not provide any warranty or guarantee of such security. In states that do not allow the exclusion or limitation of such damages, our liability is limited to the extent permitted by applicable law. The Credit Union will not be liable for the following:

- If, through no fault of ours, you do not have enough money in your account to make the transfer or the transfer would go over the credit limit on your line of credit.
- If you used the wrong access code or you used an ATM, access code or card in an incorrect manner.
- If the automated teller machine (ATM) where you are making the transfer does not have enough cash.
- If the ATM or POS terminal was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as telecommunication, fire, flood or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If your account is frozen because of a delinquent loan.
- If the error was caused by a system of the designated ATM networks, Internet service provider or bill payment processor, or any other participating network.
- If there are other exceptions as established by the Credit Union.
- The ATM or POS terminal may retain your card in certain instances, in which event you may contact the Credit Union about its replacement.
- If your computer fails or malfunctions or the E-Max or Tele-Max services were not properly working and such problems should have been apparent when you attempted such transaction.
- If you have not given the Credit Union complete, correct, and current instructions so the Credit Union can process a transfer or bill payment.

n. Preauthorized Electronic Fund Transfers.

- **Stop Payment Rights.** If you have arranged in advance to make regular electronic fund transfers out of your account(s) (not using the E-Max service) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify the Credit Union orally or in writing at any time up to three (3) business days before the scheduled date of the transfer.

The Credit Union may require written confirmation of the stop payment order to be made within fourteen (14) days of any oral notification. If we do require the written confirmation, the oral stop payment order shall cease to be binding fourteen (14) days after it has been made.

- **Notice of Varying Amounts.** If these payments will vary in amount, you have the right to receive written notice of the amount of the transfer ten (10) days before the scheduled transfer date. You agree the Credit Union will not provide such notice, but such notice must be obtained from the payee.
- **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages if you gave us the correct information.

o. Termination of EFT Services. You agree that we may terminate this Agreement and your use of your EFT services and the use of your card, if:

- You or any authorized user of your card or access code breach this or any other agreement with us;
- We have reason to believe that there has been an unauthorized use of your access code or card;
- We notify you or any other party to your account that we have canceled or will cancel this Agreement; or
- You breach any provision of your Membership and Account Agreement.

You or any other party to your account can terminate this Agreement by notifying us in writing. Termination of service will be effective the first business day following receipt of your written notice. Termination of this Agreement will not affect the rights and responsibilities of the parties under this Agreement for transactions initiated before termination.

p. Notices. The Credit Union reserves the right to change the terms and conditions upon which this service is offered. The Credit Union will mail notice to you at least twenty-one (21) days before the effective date of any change, as required by law. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

q. Billing Errors. In case of errors or questions about your electronic transfers, telephone us at the phone numbers or write us at the address set forth above as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears.

- Tell us your name and account number.
- Describe the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- 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) calendar days.

We will tell you the results of our investigation within ten (10) business days after we hear from you and will correct any 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 transaction initiated outside the United States). If we decide to do this, we will credit your account within ten (10) business days (five (5) business days for VISA debit 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 credit your account. We will tell you the results within three (3) business days after completing our investigation.

If we decide after our investigation that an error did not occur, we will deliver or mail to you an explanation of our findings within three (3) business days after the conclusion of our investigation. If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

r. ATM Safety Notice. The following information is a list of safety precautions regarding the use of Automated Teller Machine (ATM) and Night Deposit Facilities.

s. Enforcement. You agree to be liable to the Credit Union for any liability, loss, or expense as provided in this Agreement that the Credit Union incurs as a result of any dispute involving your accounts or services. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable.

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your ATM access device or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number or access code on your debit card.
- Report all crimes to law enforcement officials immediately.

IV. PRIVACY POLICY

1 Our Privacy Pledge. Whatcom Educational Credit Union is owned by its members and run by a board of directors you elect. Since 1936, the Credit Union has provided financial products and services to our members. You have trusted us with information about yourself and your family, and we recognize and respect your expectations of privacy. We have not and will not violate that trust by selling member information for solicitation or any other purpose. We will continue to strive to earn your trust and your business by honoring your privacy. This notice describes the privacy policy and practices followed by Whatcom Educational Credit Union. This notice explains what types of member information we collect and under what circumstances we may share it.

2 Member Information We Collect. The Credit Union collects only relevant information about members that is needed to establish and maintain your account and services as the law allows or requires us to collect. We may collect personal and financial information about you (member information) which is "nonpublic." The member information we collect varies depending on the accounts and services you request and use. We collect information about you from the following sources:

a. Application Information. We retain personal information we receive from you on any application you provide to us for membership, deposit account, EFT services, loans, insurance, or other Credit Union services. This information includes name, address, social security number, birth date, phone number, employment and financial status, and credit history.

b. Your Transactions. Any time you make a transaction on one of your accounts, including ATM or card transactions, loan advances, transactions through E-Max or Tele-Max, over the phone or at a branch we retain the transaction information, including: your account number, the date, amount, location of the

transaction, and other pertinent information.

c. Credit Reports. When we evaluate your application for an account or service, we may request a credit report about you from a consumer-reporting agency. We retain the personal and credit history information about you and we may use it to evaluate future account service requests.

d. Online. We obtain information online when you visit our website, www.wecu.com. This includes retaining information you provide us on any online application, E-Max transaction or information you send to us by E-mail.

3 Member Information We Share. In order to provide financial services to you, we share certain information about you with certain third party service providers. However, we only share information to the extent necessary to service your account or offer new services to you. If we share your information, it is with the goal of bringing you quality services, more choices, and greater convenience. Information we may have about former members is generally only shared or disclosed if necessary to enforce or administer an account or as required by law.

a. Sharing Information with Third Party Service Providers. In order for us to conduct our operations, including servicing your account or processing your transactions, we need to share information with our service providers, including: data processing companies, check, ATM and other payment processing companies, payment networks, loan service providers, insurance companies, collection agencies, credit reporting agencies, and insurance companies, and financial service providers with whom we have service agreements. These service providers act on our behalf and have agreed in writing to keep the member information we provide to them confidential. We share the following categories of information to third party service providers depending on the specific services provided:

- Personal information (name, address, and account number)
- Account information (type of accounts, account balances, and transaction history)
- Transaction information (dates, amounts, locations, and type of transaction)

We do not sell member information nor share your account numbers with independent third party marketers offering their products and services. While we may assist in offering financial products and services of other financial service providers, we control the member information used to make such offers.

b. Sharing Information as Legally Required or Permitted. We may share any member information of yours in response to a lawful request issued by a court, government agency, or regulatory authority or as permitted by law in order to administer or enforce your account. We may also share our experience information about you with credit bureaus. Our reporting to credit bureaus is governed by the Fair Credit Reporting Act, which affords you the right to make sure that your credit bureau reports are accurate.

4 Our Confidentiality and Security Safeguards. We maintain strict policies and security controls to assure that member information in our computer systems and files is protected. Our employees are permitted access to member information that they may need to perform their jobs and to provide service to you. Our employees have access to such member information as necessary to conduct a transaction or respond to your inquiries. All employees are trained to respect member privacy. No one except our employees has regular access to the Credit Union computer system and records storage. The Credit Union has established internal security controls, including physical, electronic, and procedural safeguards to protect the information you provide us and the information we collect about you. We will continue to review our internal security controls to safeguard your member information as we employ new technology in the future.

5 Online Privacy Protections. At our website, www.wecu.com, you may apply for accounts and services and you may communicate with us via E-mail. To protect the information you provide us online, we use multiple levels of security. The application information we accept online and our E-Max service relies on industry standard "Secure Sockets Layer" (SSL) encryption to secure your transaction information and communication. Generally, our E-mails are not secure. However, if we ask you to E-mail us information other than your name, address, E-mail address and phone number, it will be obtained using a secure (SSL encryption) E-mail form. When you visit our website, you can access site information, without revealing your personal identity. However, in order to help us identify you for future site visits, we use "cookies" to

track your visit. A “cookie” is a piece of information that our web server stores on your computer hard drive and retrieves later. The cookie will not request, require or collect personal identity information and you remain anonymous. Your member information is not accessed by or stored within a cookie in any way.

- 6 Protecting Children’s Information Privacy.** Our online financial services are not designed for or directed toward children. We do not knowingly solicit or collect data from children and we do not knowingly market to children online. We recognize that protecting children’s identities and online privacy is important and that responsibility rests with us and with parents.
- 7 Privacy Policy Inquiries.** If you have any questions about our privacy practices please contact us by calling 360.676.1168 or 800.525.8703 or TTY 800.833.6388, through our InfoGuy service at www.wecu.com, or by writing to us at Whatcom Educational Credit Union, PO Box 9750, Bellingham, WA 98227-9750.
- 8 New Account Procedures.** IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver’s license or other identifying documents.