

# MEMBERSHIP BOOKLET

Membership and Account Agreement  
Funds Availability Policy Disclosure  
Electronic Funds Transfer  
Agreement and Disclosure  
Truth-in-Savings Disclosures  
Privacy Notice Disclosure



**PALISADES FEDERAL**  
C R E D I T U N I O N

---

300 N. Middletown Road, Suite #6  
Pearl River, NY 10965

(845) 602-4242 • (800) 438-7415  
Fax: (845) 602-4444

[www.palisadesfcu.org](http://www.palisadesfcu.org)



# Table of Contents

<b>I. MEMBERSHIP AND ACCOUNT AGREEMENT .....</b>	<b>pgs 1-8</b>
1. Membership Eligibility	19. Checks Presented for Payment in Person
2. Individual Accounts	20. Remotely Created Checks
3. Joint Accounts	21. Pledge/Statutory Lien
4. POD/Trust Account Designations	22. Legal Process
5. Accounts for Minors	23. Account Information
6. Uniform Transfers/Gifts to Minors Account	24. Notices
7. Agency Designation on an Account	25. Taxpayer Identification Numbers and Backup Withholding
8. Deposit of Funds Requirements	26. Statements
9. Account Access	27. Inactive Accounts
10. ACH & Wire Transfers	28. Special Account Instructions
11. Account Rates and Fees	29. Termination of Account
12. Relationship Pricing	30. Termination of Membership
13. Transaction Limitations	31. Death of Account Owner and Incompetence of Account Owner
14. Certificate Accounts	32. Severability
15. Overdrafts	33. Enforcement
16. Postdated and Statedated Drafts	34. Governing Law
17. Stop Payment Orders	35. Fact Act Notification
18. Credit Union Liability	
<b>II. FUNDS AVAILABILITY POLICY DISCLOSURE (Reg. CC) .....</b>	<b>pgs 9-10</b>
1. General Policy	4. Longer Delays May Apply
2. Reservation of Right to Hold	5. Special Rules for New Accounts
3. Holds on Other Funds	6. Foreign Checks
<b>III. ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE (Reg. E) ..</b>	<b>pgs 11-17</b>
1. EFT Services	9. Credit Union Liability for Failure to Make Transfers
2. Transfer Limitations	10. Notices
3. Conditions of EFT Services	11. Billing Errors
4. Fees and Charges	12. Termination of EFT Services
5. Member Liability	13. Governing Law
6. Right to Receive Documentation	14. Enforcement
7. Account Information Disclosure	
8. Business Days	
<b>IV. TRUTH-IN-SAVINGS DISCLOSURES .....</b>	<b>pgs 18-20</b>
<b>SAVINGS AND CHECKING ACCOUNTS —</b>	<b>TERM CERTIFICATE ACCOUNTS —</b>
1. Rate Information	1. Rate Information
2. Nature of Dividends	2. The Step-Up Certificate Accounts
3. Dividend Compounding and Crediting	3. Nature of Dividends
4. Accrual of Dividends	4. Dividends Compounding and Crediting
5. Balance Information	5. Balance Information
6. Account Limitations	6. Accrual of Dividends
7. Fees for Overdrawing Accounts	7. Transaction Limitations
	8. Maturity
<b>V. PRIVACY NOTICE DISCLOSURE .....</b>	<b>pg 21</b>
<b>VI. TRUTH-IN-SAVINGS FEE SCHEDULE .....</b>	<b>pgs 25-27</b>



# I. MEMBERSHIP AND ACCOUNT AGREEMENT

---

This Agreement covers the rights and responsibilities concerning your accounts and the rights and responsibilities of Palisades Federal Credit Union (credit union) providing this Agreement. In this Agreement, the words “you” and “yours” mean anyone who signs an Account Card or Account Change Card (Account Card or any other account opening document). The words “we,” “us,” and “our” mean the Credit Union. The word “account” means any one or more share or other accounts you have with the Credit Union.

Your account type(s) and ownership features are designated on your Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement and Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Funds Transfer Agreement and Disclosure, Privacy Notice Disclosure, any Account Deposit Receipt accompanying this Agreement, the Credit Union’s bylaws and policies, and any amendments to these documents from time to time which collectively govern your membership and accounts.

When you become a new member of the Palisades Federal Credit Union we will verify your identity in accordance with the USA Patriot Act of 2001 and may not process your application if it is missing your signature or any additional documentation needed to complete the account opening.

**1. MEMBERSHIP ELIGIBILITY** — To join the Credit Union you must meet the membership requirements including purchase and maintenance of the minimum required share(s) (“membership share”) as set forth in the Credit Union’s bylaws. You authorize us to check your account, credit, and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request. The Credit Union reserves the right to charge an early closure fee if you open and then close an account within a 30 day period.

The field of membership shall be limited to those having the following common bonds:

- Persons who live, work, worship, or attend school in, and businesses and other legal entities located in Rockland County, New York; and also included are spouses of persons who died while within the field of membership of this credit union, employees of this credit union, volunteers in the community, members of their immediate family or household, and organizations of such persons. Immediate family members are defined as: your spouse, children, siblings, parents, grandparents, grandchildren, step children, step parents, step siblings and adopted children.

**2. INDIVIDUAL ACCOUNTS** — An individual account is an account owned by one member (individual or trust designation) qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner’s estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner’s agent prior to notice of an owner’s death and to any security interest or pledge granted by the account owner and subject to our statutory lien rights.

**3. JOINT ACCOUNTS** — A joint account is an account owned by two (2) or more persons.

**a. Rights of Survivorship.** Unless otherwise stated on the Account Card, a joint account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). For a joint account without rights of survivorship, the deceased owner’s interest passes to his or her estate. A surviving owner’s interest is subject to the Credit Union’s statutory lien for the deceased owner’s obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

**b. Control of Joint Accounts.** Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Any owner may withdraw all funds, stop payment on items, or transfer funds without the consent of the other owner(s). Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, or transfer, without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act.

**c. Joint Account Owner Liability.** If an item deposited in a joint account is returned unpaid, a joint account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of any owner or all funds in the joint account regardless of who contributed them.

**4. POD/TRUST ACCOUNT DESIGNATIONS** — A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that an individual or joint account so designated is payable to the owner(s) during his, her or their lifetimes and, when the last account owner dies, payable to all and surviving POD or trust beneficiaries/payees. If there is more than one surviving beneficiary/payee, the account is owned jointly by such beneficiaries/payees without rights of survivorship upon the death of the last account owner in equal shares. Any POD or trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs) which are governed by a separate beneficiary/

payee designation. On the passing of an eligible member, Palisades Federal Credit Union does not offer sub-accounts. We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or held in the name of a trust.

**5. ACCOUNTS FOR MINORS** — We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

**6. UNIFORM TRANSFERS/GIFTS TO MINORS ACCOUNT** — A Uniform Transfers/Gifts to Minors Account (UTMA/UGMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and unless a court orders otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account, until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

**7. AGENCY DESIGNATION ON AN ACCOUNT** — An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Credit Union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

**8. DEPOSIT OF FUNDS 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 Truth-in-Savings Disclosure. Deposits made by mail, at night depositories or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

**a. Endorsements.** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more account owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check, draft or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement as set forth on the back of the check or draft, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check or draft within 1½ inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

We reserve the right not to cash a check or draft drawn on a financial institution other than Palisades Federal Credit Union. We reserve the right not to cash a Palisades Federal Credit Union check or draft either if we cannot verify all endorsements or if there are no funds in the account at the time the check or draft is being negotiated.

**b. Collection of Items.** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account.

**c. Restrictive Legends.** Some checks or drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two signatures required", "void after 60 days" or "not valid over \$500." We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.

**d. Final Payment.** All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.

**e. Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfer from other accounts. You must authorize direct deposits or preauthorized transfers by filling out a separate form. You must notify us at least 30 days in advance to cancel or change a direct deposit or transfer option. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. Upon a bankruptcy filing, unless you cancel the

authorization we will continue applying direct deposits in accordance with our authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

**f. Crediting of Deposits.** Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

## **9. ACCOUNT ACCESS —**

**a. Authorized Signature.** Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

**b. Access Options.** You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, automatic transfer, by TAP Audio Response, or home banking, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

**c. Credit Union Examination.** We may disregard information on any check or draft, other than the signature of the drawer, the amount and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

**10. ACH & WIRE TRANSFERS —** Except as amended by this Agreement, electronic funds transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located. We may execute certain requests for electronic funds transfers by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order electronic funds transfers to or from your account. We will debit your account for the amount of an electronic funds transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. We will not provide you with next day notice of ACH, wire transfers and other electronic payments credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we are required by law to pay interest to you, you agree that the rate of interest shall be the lowest available nominal dividend or interest rate paid on accounts during the time interest payments are required. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cut-off times may apply to the receipt, execution and processing of funds transfers, payment orders, cancellations, and amendments and if received after a cut-off time, may be treated as having been received on the next following funds transfer business day. Information about any cut-off times is available upon request. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order even if that person did not initiate the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic funds transfer transactions. We will notify you of any such security procedures and you agree that our security procedures are commercially reasonable.

**11. ACCOUNT RATES AND FEES —** We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. We may change the Truth-in-Savings Disclosure or Schedule of Fees and Charges at any time and will notify you as required by law.

**12. RELATIONSHIP PRICING —** Advantage Pricing is Palisades Federal Credit Union's relationship pricing program whereby a member who has direct deposit of their net pay, social security check, or pension into their checking account receives the following benefits:

- a. Add an additional 25 basis points to any term certificate or IRA you open.
- b. Receive a 50 basis points rate lower on a personal, signature, new/used vehicle loan.
- c. Unlimited FREE ATM transactions at non-Palisades Federal Credit Union ATMs. (Nonproprietary ATM network fees are still applicable.)
- d. FREE American Express Traveler's checks, Gift checks, and Checks for Two.

If you are not given the opportunity to direct deposit your net pay, social security, or pension you can still take advantage of the benefits listed above by pledging to secure a sum of \$500 into a Palisades Federal Credit Union savings account. The secured \$500 does not earn interest.

If for any reason you want to dis-enroll from the Advantage Pricing program and you have pledged secured money into a Palisades Federal Credit Union savings account for the expressed purpose of establishing Advantage Pricing then you will need to notify us in writing that you intend to dis-enroll from the Advantage Pricing program. We will then release your secured funds to you within three (3) business days following receipt of your written notification.

### **13. TRANSACTION LIMITATIONS —**

**a. Withdrawal Restrictions.** We will pay checks or drafts, permit withdrawals and make transfers from available funds in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals and make transfers from your account from insufficient available funds if you have established an overdraft protection plan or, if you do not have such a plan with us, according to our overdraft payment policy.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly; by way of example only and not as a limitation: (1) a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time. We may require you to give written notice of seven (7) days to 60 days before any intended withdrawals.

**b. Transaction Limitations.** We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure of Electronic Funds Transfer Agreement and Disclosure.

**14. CERTIFICATE ACCOUNTS —** Any time deposit, term certificate of deposit account is subject to the terms of this Agreement, the Truth-in-Savings Disclosure and Account Deposit Receipt for each account the terms of which are incorporated herein by reference.

### **15. OVERDRAFTS —**

**a. Payment of Overdrafts.** If, on any day, the available funds in your share or deposit account are not sufficient to pay the full amount of a check, draft, item, transaction or other item posted to your account plus any applicable fee ("overdraft"), we may pay or return the overdraft. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one (1) review of the account required. We do not have to notify you if your account does not have sufficient available funds to pay an overdraft. Whether the item is paid or returned, your account may be subject to a charge determined by which overdraft protection you have indicated you want or whether you qualify for Courtesy Pay privileges. If you've chosen overdraft from Savings the cost is \$3 per occurrence with a limit of six (6) such transactions during a calendar month. If you qualify for Courtesy Pay the cost is \$30 per occurrence to a dollar amount that will not exceed \$530. If you have taken an Overdraft Line of Credit please refer to your loan documents for cost and fees. If you have no overdraft service with Palisades Federal Credit Union we charge a \$30 fee for insufficient funds. All fees are subject to change and our members are notified in our newsletter when changes to fees are made. Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay an overdraft, we do not agree to pay overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdrawn amount in accordance with your overdraft protection plan or, if you do not have such a plan, in accordance with our overdraft payment policy.

**b. Order of Payments.** Checks, drafts, items and other transactions may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft or item and execute other transactions on your account in any order we choose. The order in which we process checks, drafts and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay drafts and checks and process transfers and withdrawals.

#### **c. Courtesy Pay Guidelines.**

- Checking account items covered by Courtesy Pay privileges include checks, online bill payment transactions, Visa Check Card transactions and ACH (automated clearing house) payments. Courtesy pay does not apply to automatic PFCU loan payments.
- For each qualified payment that is covered, the member's checking account will incur a \$30 Courtesy Pay service fee.
- Qualified payments will be covered up to a negative \$530 balance in the checking account. Any payment (plus the associated fee) which would lead to a negative balance greater than this amount will be returned unpaid.

- Only the current checking account balance will be considered when determining whether an item qualifies for Courtesy Pay privileges.
- Existing overdraft protection from savings or line of credit will continue to be accessed first before considering payments from Courtesy Pay.

Initially, all approved checking accounts automatically qualify for the service; no registration is required. PFCU reserves the right to discontinue Courtesy Pay privileges at any time without prior notice.

The purpose of this enhancement to PFCU checking accounts is to provide improved service to members by paying checking account items when funds are not currently available. Since qualifying items will not be returned unpaid, members will not be subject to vendors' returned item fees, which can exceed \$35 per item, in addition to PFCU's existing insufficient funds fee. Additionally, since the items will have been paid, vendors will have no knowledge that sufficient funds were not available at the time they were presented for payment.

Members with payments covered by this service will have ten (10) business days following the occurrence to pay the overdrawn balance. If funds are available in other PFCU accounts owned by the member, PFCU may transfer those funds to the checking account to cover all or part of any negative balance. If any remaining negative balance is not paid within the ten (10) day limit, future Courtesy Pay privileges may be denied and the member may incur legal fees to recover the loss. Other circumstances which could result in non-approval or discontinuation of Courtesy Pay privileges include excessive returned items, loan delinquency, and other account misuse.

If you have any questions about Courtesy Pay service or would prefer to opt out, please notify us in writing at Palisades Federal Credit Union, 300 N. Middletown Road, Suite # 6, Pearl River, NY 10965 or call us at 845-602-4242 or outside the 845 area code at 800-430-7415.

#### **d. Examples of Overdraft Protection and Attending Costs.**

- **Overdraft to Savings:** If you have chosen this option and a check or draft is presented for payment and there are insufficient funds in your Palisades Federal Credit Union checking account for a fee of \$3 we will automatically move money from your savings into your checking account to cover the check. Example: A check or draft from utility company is presented for payment. The check or draft is for the sum of \$65. You have a current balance of \$25 in your checking account. You have \$125 available in your savings account. We will move \$40 from your savings to checking to cover the presented check or draft and take an additional \$3 from your savings as the fee in providing this service to you.

If you do not have sufficient funds in your savings account to move into checking account to cover the presented check or draft; or if you either do not qualify or have opted out of Courtesy Pay; or if you have sufficient funds in your savings but this particular presented check or draft is the seventh overdraft to savings in one calendar month we will return the check or draft and a return check fee of \$30 will be affixed to your checking account.

- **Courtesy Pay - Example 1:** During a calendar month if your check, draft, or item for \$50 to a local merchant is presented to Palisades Federal Credit Union for payment, and you are currently considered a member in good standing, and you have only \$20 in your checking account. We will honor the presented check, draft, or item, bring your account negative \$30 and then add the Courtesy Pay fee to your checking account of \$30. Your checking account will then be negative \$60 and you'll need to bring your checking account current within ten (10) business days.

**Example 2:** During the month you have checks, drafts, or items for \$100, \$300 and \$45 all presented and your checking account has only \$10 currently in it. We will bring your checking account negative \$435, honor the presented checks, and charge you three (3) Courtesy Pay fees equaling \$90 (3 times \$30 = \$90). Your checking account will be in the negative a total of \$525 and you'll need to bring your checking account current within ten (10) business days.

**Example 3:** If taking the scenario of example 2 (above) and in addition you perform point-of-sale (POS) transaction for \$45; this POS will be returned for insufficient funds because under Courtesy Pay your account cannot be in the negative more than \$530.

**16. POSTDATED AND STALEDATED DRAFTS** — You agree not to issue any check or draft that is postdated. If you do issue a check or draft that is payable on a future date and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six (6) months past its date.

#### **17. STOP PAYMENT ORDERS —**

**a. Stop Payment Order Request.** You may request a stop payment order on any check or draft drawn on your account. To be binding an order must be dated, signed, and describe the account and check or draft number and the exact amount. The stop payment will be effective only if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the account, number of the check or draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check or draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. If the stop payment order is not received within a reasonable time for us to act upon the order, we will not

be liable to you or to any other party for payment of the check or draft. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check or draft and to assist us in any legal action.

**b. Duration of Order.** You may make an oral stop payment order which will lapse within 14 calendar days unless confirmed in writing. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.

**c. Liability.** Fees for stop payment orders are set forth on the Truth-in-Savings Disclosure or Schedule of Fees and Charges. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or indorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**18. CREDIT UNION LIABILITY** — If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

**19. CHECKS PRESENTED FOR PAYMENT IN PERSON** — We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft and we shall have no liability for refusing payment. If we agree to pay a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable check or draft cashing fees are stated in the fee schedule.

**20. REMOTELY CREATED CHECKS** — For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks (share drafts) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is made over the telephone or through online communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account, and may charge against your account any remotely created check for which the third party has proof of your authorization.

**21. PLEDGE/STATUTORY LIEN** — Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law, depending upon whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

**Your pledge and our statutory lien rights will allow us to apply the funds in your account to what you owe when you are in default, except as limited by state or federal law.** If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

**22. LEGAL PROCESS** — If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

**23. ACCOUNT INFORMATION** — We may report the following information about your account to credit bureaus: late payments, missed payments, or other defaults on your account and this information may be reflected in your credit report. Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law or regulation; (3) such disclosure complies with the law or regulation or a government agency or court order; or (4) you give us written permission.

**24. NOTICES** —

**a. Name or Address Changes.** You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.

**b. Notice of Amendments.** Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms, rates, or fees as required by law. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

**c. Effect of Notice.** Any written notice you give us is effective only when we receive it. Any written notice we give 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 account owner is considered notice to all account owners.

**25. TAXPAYER IDENTIFICATION NUMBERS AND BACKUP WITHHOLDING** — Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your account.

**26. STATEMENTS** —

**a. Contents.** If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a joint account. For share draft or checking accounts, you understand and agree that your original check, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are sent to you. You also understand and agree that checks or copies thereof are made available to you on the date the statement is sent to you, even if the checks do not accompany the statement.

**b. Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within 35 days of the date we send the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are 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 drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement you agree to notify us within 14 days of the time you regularly receive a statement.

**d. Electronic Statement.** I agree that once my consent has been given, to receive electronic notification that my Palisades Federal Credit Union statement is available for viewing on our secured and encrypted web site.

A record of my consent will be maintained by the vendor hosting Palisades Federal Credit Union's electronic statement web site. If I change my mind regarding email notification of online statement delivery and viewing I will notify Palisades Federal Credit Union in writing. I understand that it may take up to 60 days to have my statement revert back to a mailed paper version.

A history of up to 12 months of your statements will be stored online for you. When you notify us that you want to discontinue eStatement delivery you lose access to viewing and downloading all previous statements housed on the online secured site.

**27. INACTIVE ACCOUNTS** — If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Truth-in-Savings Disclosure or Schedule of Fees and Charges, we may classify your account as inactive or dormant. Unless prohibited by applicable

law, we may charge a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**28. SPECIAL ACCOUNT INSTRUCTIONS** — You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. 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 Change Card and if in our opinion, necessary, a court order and accepted by us.

**29. TERMINATION OF ACCOUNT** — We may terminate your account at any time written 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 account or of the funds in the account; (4) any checks or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

**30. TERMINATION OF MEMBERSHIP** — You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all your accounts. You may be denied services for causing a loss to the Credit Union or you may be expelled for any reason as allowed by applicable law.

**31. DEATH OF ACCOUNT OWNER AND INCOMPETENCE OF ACCOUNT OWNER** — We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days after the date of death unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming a deceased owner's account funds to post a Bond and/or indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

**32. SEVERABILITY** — If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

**33. ENFORCEMENT** — You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees of any appeal, bankruptcy proceedings, and any post-judgment collection actions.

**34. GOVERNING LAW** — This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which the Credit Union's main office is located, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the main office of the Credit Union is located.

**35. FACT ACT NOTIFICATION** — We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

## II. FUNDS AVAILABILITY POLICY DISCLOSURE

This Disclosure describes your ability to withdraw funds at Palisades Federal Credit Union.

**1. GENERAL POLICY** — Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit except as set forth below. 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 cut-off time for different deposit locations. The earliest cut-off time that might apply is 3:30 p.m. If you make a deposit before our cut-off time 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 cut-off time or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Our cut-off times are available at the Credit Union.

If you have a pledge of \$500 into your Palisades Federal Credit Union checking account to take part in our Advantage Pricing program remember that the \$500 is not considered part of your available balance. You cannot draw against these funds and any overdraft protection service you have set on your checking account will be accessed even while the pledged secure balance of \$500 remains in your checking account.

**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 same business day that we receive your deposit. Depending on the type of check(s) that you deposit, funds may not be available until the fifth (5th) business day after the day of your deposit. However, the first \$100 of your deposit will be available for withdrawal or check writing purposes at the start of the first (1st) business day after the day of your deposit. For checks drawn on non-local financial institutions located in New York, funds will be available for cash withdrawal and check writing purposes at the start of the fifth (5th) business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same 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. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Third party checks will be handled on a case-by-case basis. Third party check are checks made payable to a husband and wife, where the husband is a member and the wife isn't. In this case both individuals must be present in front of the teller to endorse the check and to obtain appropriate identification from the nonmember. Another example would be a check made payable to a child or minor who is not a member of the Credit Union. In this case, we will obtain a birth certificate from the minor parent. The endorsement on the check will then be placed as follows: Name of minor nonmember indicated as a minor with the parent's signature and member number on the back of the check.

**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:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one (1) day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as failure of communications or computer equipment.

We may 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 eleventh business day after the day of your deposit.

**5. SPECIAL RULES FOR NEW ACCOUNTS** — If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other check deposits will be available on the ninth (9th) business day after the day of your deposit.

**6. FOREIGN CHECKS** — Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

### III. ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE

---

This Electronic Funds Transfer Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic funds transfer (EFT) services offered to you by Palisades Federal Credit Union (credit union). In this Agreement, the words “you” and “yours” mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words “we,” “us,” and “our” mean the Credit Union. The word “account” means any one or more savings and checking accounts you have with the Credit Union. Electronic funds transfers are electronically initiated transfers of money from your account through the electronic funds transfer services described below. By signing an application or account card for EFT services, signing your card, or using any EFT service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered.

**1. EFT SERVICES** — If approved, you may conduct any one or more of the EFT services offered by the Credit Union.

**a. ATM Card.** If approved, you may use your card and personal identification number (PIN) in automated teller machines of the Credit Union, PLUS, Member Access, American Express, Discover, Accel/Exchange, Visa, NYCE, AllPoint Network, and such other machines or facilities as the Credit Union may designate. At the present time, you may use your Card to:

- Make deposits to your savings and checking accounts at branch locations only.
- Withdraw funds from your savings, checking and Overdraft Line of Credit accounts.
- Transfer funds from your savings, checking and Overdraft Line of Credit accounts.
- Obtain balance information for your savings and checking accounts.
- Access your Overdraft Line of Credit account.
- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at POS terminals that carry PLUS, Member Access, American Express, Discover, Accel/Exchange, Visa, NYCE, and AllPoint Network logo(s).

The following limitations on the frequency and amount of ATM transactions may apply:

- You may make five (5) cash withdrawals in any one day.
- You may withdraw up to a maximum of \$500 in any one day, if there are sufficient funds in your account.
- You may make five (5) POS Transactions in any one day.
- You may purchase up to a maximum of \$500 from POS terminals per day, if there are sufficient funds in your account.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- See Section 2 for transfer limitations that may apply to these transactions.

Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal.

**b. Visa Check Card.** If approved, you may use your card to purchase goods and services from participating merchants. If you wish to pay for goods or services over the Internet, you may be required to provide card member security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your card purchases will be deducted from your savings, checking, or Overdraft Line of Credit account. If the balance in your account is not sufficient to pay the transaction amount, the Credit Union will pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts or loan accounts that you have established with the Credit Union. If you initiate a transaction that overdraws your account(s), you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. If the balance in accounts is not sufficient to pay the transaction amount your transaction may be denied. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement. You may use your card and personal identification number (PIN) in automated teller machines of the Credit Union, NYCE, PLUS, Accel/Exchange, Member Access, American Express, Discover, Visa Networks (wherever Visa Debit transactions are accepted), AllPoint Network and such other machines or facilities as the Credit Union may designate. At the present time, you may also use your card to:

- Make deposits to your savings and checking account(s) at our branch locations only.
- Withdraw funds from your savings, checking and Overdraft Line-of-Credit account(s).
- Transfer funds from your savings, checking and Overdraft Line-of-Credit account(s).
- Obtain balance information for your savings, checking and Overdraft Line-of-Credit account(s).
- Make point-of-sale (POS) transactions with your card to purchase goods or services at merchants that accept Visa.
- Order goods or services by mail, internet or telephone from places that accept Visa.

The following limitations on the frequency and amount of Visa Check Card transactions may apply:

- Purchase and withdrawal amounts are limited to the amount in the account(s) you've attached to the VISA Check Card.
- You may make five (5) cash withdrawals in any one (1) business day from an ATM machine.
- You may withdraw up to a maximum of \$500 in any one (1) business day (See Section 8 of this disclosure to identify what is a Palisades Federal Credit Union business day) from an ATM machine, if there are sufficient funds in your account.
- You may make 15 POS Transactions in any one (1) business day.
- You may purchase up to a maximum of \$1,000 from POS terminals per business day, if there are sufficient funds in your account.
- Using the Check Card as a signature based transaction may place a five (5) business day hold against your available funds in your PFCU checking account.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- See Section 2 for transfer limitations that may apply to these transactions.

**c. TAP (Audio Response).** If we approve the TAP audio response access service for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time you may use the audio response access service to:

- Withdraw funds from your savings, checking, special savings, vacation, money market, and accounts.
- Transfer funds from your savings, checking and money market, Overdraft Line of Credit, and Line of Credit accounts.
- Obtain balance information for your savings, checking and loan accounts.
- Make loan payments from your savings, checking and money market accounts.
- Access your Overdraft Line of Credit and Line of Credit accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on savings and checking accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.
- Order a copy of a paid check.
- Financial calculators.
- Cross account transactions.
- Change your PIN.
- General information regarding PFCU operations.
- Make a Palisades FCU Visa Card payment.

Your accounts can be accessed under the TAP audio response service via a touch tone telephone only. TAP service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing.

- See Section 2 for transfer limitations that may apply to these transactions.

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. 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. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each telephone call.

**d. Preauthorized EFTs.**

- **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, to your savings and/or checking account.
- **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your savings and/or checking account.
- See Section 2 for transfer limitations that may apply to these transactions.

- **Stop Payment Rights.** If you have arranged in advance to make regular electronic fund transfers out of your account(s) for money you owe others, you may stop payment of preauthorized transfers from your account. You must notify us orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within 14 days of any oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made.
  - **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
  - **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop payment of a preauthorized transfer 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.
- e. Home Banking Online/PC EFTs.** If we approve the Home Banking online/PC access service for your accounts, a separate user ID and security code will be assigned to you. You must use your user ID and security code along with your account number to access your accounts. At the present time, you may use the Home Banking access service to:
- Transfer funds from your savings, checking, Overdraft Line of Credit, Line of Credit, and money market accounts.
  - Obtain balance information for your savings, checking, vacation club, money market, Line of Credit, Overdraft Line of Credit, and loan accounts.
  - Access your Home Equity Line of Credit, Overdraft Line of Credit.
  - Make a Palisades FCU Visa Credit Card payment.

Your accounts can be accessed under the Home Banking electronic/PC access service via personal computer. Home Banking service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. We reserve 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. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each access. Credit union is not liable for transmission problems and error by the member's Internet provider.

- Federal regulations limit you to no more than six (6) withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized or automatic transfer, telephone order, or any other instructions.
- See Section 2 for transfer limitations that may apply to these transactions.

**f. Electronic Check Conversion/Electronic Returned Check Fees.** If you pay for purchases or bills with a check or share draft you may authorize your check or share draft to be converted to an electronic fund transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic funds transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

**g. Electronic Bill Pay (Bill Payments).** We will process bill payment transfer requests only to those creditors the Credit Union has designated in the User Instructions and such creditors as you authorize and for whom the Credit Union has the proper vendor code number. We will not process any bill payment transfer if the required transaction information is incomplete.

We will withdraw the designated funds from your checking account for bill payment transfer by 2:00 p.m. on the date you schedule for payment. We will process your bill payment transfer within a designated number of days before the date you are scheduled for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. Please leave as much time as though you were sending your payment by mail. We cannot guarantee the time that any payment will be credited to your account by the vendor. All features and benefits associated with your PFCU checking account(s) are in effect when using Electronic Bill Pay (*EPay*).

- There is no limit to the number of bill payments per day.
- See Section 2 for transfer limitations that may apply to these transactions.

**2. TRANSFER LIMITATIONS** — For all Savings and Money Market accounts, no more than six (6) preauthorized, automatic, online, or telephone transfers and withdrawals may be made from these accounts to another account of yours or to a third party in any month, and no more than three (3) of these six (6) may be made by check, draft, or access card to a third party. If you exceed these limitations, your account may be subject to a fee or be closed.

### 3. CONDITIONS OF EFT SERVICES —

**a. Ownership of Cards.** Any card or other device which we supply to you is our property and if we request, you must return it 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.

**b. 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.

**c. Foreign Transactions.** Purchases and cash withdrawals made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date, in each instance plus an additional 1%. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

**d. Security of Access Code.** You may use one or more access codes with your electronic funds transfers. The access codes issued to you are for your security purposes. Any codes issued to you 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. 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. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

**e. Joint Accounts.** If any of your accounts accessed under this agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this agreement and, alone and together, shall be responsible for all EFT transactions to or from any savings and checking or loan accounts as provided in this agreement. Each joint account owner, without the consent of any other account owner, may, and hereby is authorized by every other joint account owner to, make any transaction permitted under this agreement. Each joint account owner is authorized to act for the other account owners, and the Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

**4. FEES AND CHARGES —** There are certain fees and charges for EFT services. From time to time, the charges may be changed. We will notify you as required by applicable law.

If you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used to complete the transfer (and you may be charged a fee for a balance inquiry). The fee will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

#### **a. ATM Card Fees.**

- \$1 charge for ATM withdrawals at machines we do not own (nonproprietary) after the sixth (6th) withdrawal per month.
- We do not charge for any POS transactions at the present time.
- Replacement card fee of \$5 per card.
- Nonsufficient funds fee of \$30.
- Balance inquires at nonproprietary ATMs \$0.50.
- Return check deposit fee of \$30.

**b. Fees and Charges.** There are certain fees and charges for VISA Check Card services. From time to time, the charges may be changed. We will notify you as required by applicable law. The following fees and charges will be deducted from your savings, checking, and overdraft Line of Credit account as applicable.

- Courtesy Pay - If a member is in good standing, PFCU will honor overdrafts for a fee of \$30. The maximum overdraft limit per member at any one time for Courtesy Pay is \$530 (\$530 plus fee charges of \$30 (For further information regarding courtesy pay please See Overdrafts, Section 1, sub-section 15 in this Membership booklet.)
- Nonproprietary ATM withdrawal/transfer fee is \$1 each after the sixth (6th) withdrawal per month.
- We do not charge for any POS transactions at the present time.
- Replacement card fee of \$5 per card.
- Nonsufficient funds fee of \$30.
- Balance inquiries at ATMs, fee of \$0.50.
- Return check fee of \$30.

If you use an ATM not operated by us, you may be charged a fee by the ATM operator and by any national, regional, or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

**c. Preauthorized EFT Fees.**

- Nonsufficient funds fee of \$30.

**d. Electronic Bill Pay (EPay) Fees.**

- There is a fee of \$6.95 when you don't use **EPay** within a 60 day period.
- Nonsufficient funds fee of \$30.
- **EPay** stop payment fee of \$35.
- Copy of check issued through **EPay** will be \$35.
- **EPay** investigations fee of \$20.
- **EPay** investigations requiring third party research fee of \$35.

**5. MEMBER LIABILITY** — You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts.

TELL US AT ONCE if you believe your card has been lost or stolen, if you believe someone has used your card or access code or otherwise accessed your accounts without your authority, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If a transaction was made with your card or card number without your permission, and was either a Visa or Interlink transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your account or card. For all other EFT transactions, including ATM transactions or if you were grossly negligent in the handling of your account or card, your liability for an unauthorized transaction is determined as follows.

If you tell us within two (2) business days you can lose no more than \$50 if someone used your card without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make including those made by card, code or other means, TELL US AT ONCE. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money lost after the 60 days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. 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, call:

(845) 602-424

or write to:

Palisades Federal Credit Union  
300 N. Middletown Road, Suite #6  
Pearl River, NY 10965  
Fax: (845) 602-4444

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

**6. RIGHT TO RECEIVE DOCUMENTATION** —

**a. Periodic Statements.** Transfers and withdrawals made through any ATM or POS terminal, debit card, audio response transactions, preauthorized EFTs or online/PC transactions will be recorded on your periodic statement. 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.

**b. Terminal Receipt.** You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM or POS terminal or debit card transaction with a participating merchant.

**c. Direct Deposit.** If you have arranged to have a direct deposit made to your account at least once every 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 has been made by calling (845) 602-4242 or (800) 438-7415 outside 845 area code. This does not apply to transactions occurring outside the United States.

**7. ACCOUNT INFORMATION DISCLOSURE** — We will disclose information to third parties about your account or the transfers you make:

- As necessary to complete transfers;
- 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; or
- If you give us your written permission.

**8. BUSINESS DAYS** — Our business days are Monday through Friday, excluding holidays.

**9. CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS** — If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy Disclosure, or if the transaction involves a loan request exceeding your credit limit.
- If you used your card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- If the error was caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your willful or negligent or improper use of your Card, access code, or any EFT facility for making such transfers.
- If the telephone or computer equipment you use to conduct audio response or online/PC transactions is not working properly we have the right to hold off offset any of your Funds.
- Any other exceptions as established by the Credit Union.

**10. NOTICES** — All notices from us will be effective when we have mailed them or delivered them to your last known address in the Credit Union's records. Notices from you will be effective when received by the Credit Union at the address specified in this agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least 21 days before the effective date of any change. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

The following information is a list of safety precautions regarding the use of ATMs and night deposit facilities:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- Close the entry door of any ATM facility equipped with a door.
- 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. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know.
- 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 card 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 (PIN) or access code on your ATM card.
- Report all crimes to law enforcement officials immediately. If emergency assistance is needed, call the police from the nearest available public telephone.

**11. BILLING ERRORS** — In case of errors or questions about electronic funds transfers from your savings and checking accounts or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address as

soon as you can. We must hear from you no later than 60 days after we sent the first statement on which the problem appears. Call us at:

(845) 602-4242

or write to:

Palisades Federal Credit Union  
300 N. Middletown Road, Suite #6  
Pearl River, NY 10965  
Fax: (845) 602-4444

- Tell us your name and account number.
- Describe the electronic transfer you are unsure about, and explain as clearly as you can why you believe the Credit Union has made 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) business 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. If we need more time, however, we may take up to 45\*\* days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10)\* business days 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 of completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

\* If you give notice of an error within 30 days after you open your account, we will have 20 business days instead of ten (10) business days.

\*\* If you give notice of an error within 30 days after you open your account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S. its possessions and territories, we will have 90 days instead of 45 days to investigate.

**12. TERMINATION OF EFT SERVICES** — You may terminate this agreement or any EFT service under this agreement at any time by notifying us in writing and stopping your use of your Card and any access code. You must return all cards to the Credit Union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this agreement at any time by notifying you orally or in writing. If we terminate this agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card or access code for any EFT service. Whether you or the Credit Union terminates this agreement, the termination shall not affect your obligations under this agreement for any electronic transactions made prior to termination.

**13. 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 New York 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.

**14. ENFORCEMENT** — You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this agreement. You authorize us to deduct any such losses, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

Palisades Federal Credit Union  
300 N. Middletown Road, Suite #6  
Pearl River, NY 10965  
(845) 602-4242  
Fax: (845) 602-4444

## IV. TRUTH-IN-SAVINGS DISCLOSURES

---

### I. SAVINGS AND CHECKING ACCOUNTS —

Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-in-Savings Disclosure are share accounts.

**1. RATE INFORMATION** — The annual percentage yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For Savings, Special Savings, Vacation, Tiered Money Market, Tiered IRA Savings and Premium Checking accounts, the dividend rate and annual percentage yield may change monthly as determined by the Board of Directors. For Holiday Club accounts, the dividend rate and annual percentage yield may change annually as determined by the Board of Directors. The dividend rates and annual percentage yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period.

The Tiered Money Market account is a tiered rate account. If your account balance is \$9,999.99 or below, the first dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is from \$10,000.00 to \$24,999.99, the second Dividend Rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is from \$25,000.00 to \$49,999.99, the third dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is from \$50,000.00 to \$99,999.99, the fourth dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is \$100,000.00 or greater, the fifth dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. Once a particular range is met, the dividend rate and annual percentage yield for that balance range will apply to the full balance of your account.

The Tiered IRA Savings account is a tiered rate account. If your account balance is \$24,999.99 or below, the first dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is from \$25,000.00 to \$49,999.99, the second dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is \$50,000.00 or greater, the third dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. Once a particular range is met, the dividend rate and annual percentage yield for that balance range will apply to the full balance of your account.

The Premium Checking account is a tiered rate account. If your account balance is \$2,499.99 or below, the first dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is from \$2,500.00 to \$19,999.99, the second dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. If your account balance is \$20,000.00 or greater, the third dividend rate and annual percentage yield listed for this account in the Rate Schedule will apply. Each dividend rate and annual percentage yield will apply only to that portion of the account balance within each balance range.

**2. NATURE OF DIVIDENDS** — Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

**3. DIVIDEND COMPOUNDING AND CREDITING** — The compounding and crediting of dividends and dividend period applicable to each account are set forth in the Rate Schedule. The dividend period is the period of time at the end of which an account earns dividend credit. The dividend period begins on the first calendar day of the period and ends on the last calendar day of the period. For Holiday Club accounts, the dividend period is annual. For example, the first dividend period begins on November 1st and ends on October 31st. All other dividend periods follow this same pattern.

**4. ACCRUAL OF DIVIDENDS** — For all accounts, dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account. For all accounts, if you close your account before accrued dividends are credited, accrued dividends will not be paid.

**5. BALANCE INFORMATION** — To open any account, you must deposit or already have on deposit at least the par value of one full share in any account. The par value amount is stated in the Fee Schedule. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are set forth in the Rate Schedule. For Savings account, you must keep \$5.00 in your account at all times. For Tiered Money Market and Premium Checking accounts, there is a minimum daily balance required to avoid a service fee for the dividend period. If the minimum daily balance is not met, there will be a service fee as set forth in the Fee Schedule. If you do not use **Epay** for 60 days, a non-usage fee as disclosed in the Fee Schedule, will be charged to your checking account. For all accounts, except Basic Checking and Premium Checking accounts, there is a minimum balance required to obtain the annual percentage yield for the dividend period. If the minimum daily balance is not met, you will not earn the stated annual percentage yield. For all accounts using a daily balance method, dividends are calculated by applying a daily periodic rate to the principal in the account each day.

**6. ACCOUNT LIMITATIONS** — For Savings, Special Savings, Tiered Money Market and Tiered IRA accounts, no more than six (6) preauthorized, automatic, electronic, or telephone transfers may be made from these accounts to another account of yours or to a third party in any month, and no more than three (3) of these six (6) transfers may be made by check, draft, or debit card to a third party. If you exceed these limitations, your account may be subject to a fee or be closed. For a Holiday Club account, the entire balance will be transferred to another account of yours on October 31st, and the account will remain open. If you make an early withdrawal (before October 31st) the account will be closed. No dividends will be paid and you will be charged a fee as disclosed in the Fee Schedule. You may not make any withdrawals from your Holiday Club within the first seven (7) days of the date you open your account. For Vacation accounts, you may make one (1) over the counter withdrawal or one (1) transfer per calendar month. For any additional withdrawals, you will be charged a fee as disclosed in the Fee Schedule. For Basic Checking and Premium Checking accounts, no account limitations apply. Please be advised that checks deposited to either checking or savings accounts are subject to our Funds Availability Policy.

**7. FEES FOR OVERDRAWING ACCOUNTS** — Fees for overdrawing your account may be imposed on each check, draft, item, ATM card withdrawal, debit card withdrawal, debit card point of purchase, preauthorized automatic debit, telephone initiated withdrawal or any other electronic withdrawal or transfer transaction that is drawn on an insufficient available account balance. The entire balance in your account may not be available for withdrawal, transfer or paying a check, draft or item. You may consult the Funds Availability Policy Disclosure for information regarding the availability of funds in your account. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the draft, item or transaction. If we have approved an overdraft protection limit for your account, such fees may reduce your approved limit. Please refer to the Fee Schedule for current fee information.

## **II. TERM CERTIFICATE ACCOUNTS —**

Except as specifically described, the following disclosures apply to these types of accounts. All accounts described in this Truth-in-Savings Disclosure are share accounts.

**1. RATE INFORMATION** — The annual percentage yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For Term Certificate and IRA Term Certificate accounts, the dividend rate and annual percentage yield is fixed and will be in effect for the term of the account. For accounts subject to dividend compounding, the annual percentage yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

If you have a qualifying relationship under our Advantage Pricing program your rate will be 25 basis points higher than the actual rate of a member without Advantage Pricing. (For a full description of the Advantage Pricing program please see Section 1, sub-section 12 in this Membership Booklet.)

If you had that qualifying relationship at the inception of a term certificate or IRA and your Advantage Pricing relationship changes during the term of your certificate or IRA, we reserve the right to adjust your originally contracted rate and yield by reducing it 25 basis points.

**2. THE STEP-UP CERTIFICATE ACCOUNTS** — The 2 Year Step-Up Certificate and 5 Year Step-Up Certificate accounts will have a fixed rate for the term of the certificate unless the member exercises a one time option to have the rate increased to the rate then being offered.

**3. NATURE OF DIVIDENDS** — Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

**4. DIVIDENDS COMPOUNDING AND CREDITING** — The compounding and crediting of dividends applicable to each account is set forth in the Rate Schedule. The dividend period begins on the first calendar day of the dividend period and ends on the last calendar day of the dividend period.

**5. BALANCE INFORMATION** — The minimum balance requirements applicable to each account are set forth in the Rate Schedule. To open any account, you must deposit or already have on deposit at least the par value of one full share in any account. The par value amount is stated in the Fee Schedule. For all accounts, dividends are calculated by the daily balance method which applies a daily periodic rate to the principal in the account each day.

**6. ACCRUAL OF DIVIDENDS** — For all accounts, dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account.

**7. TRANSACTION LIMITATIONS** — For all accounts, after your account is opened you may make withdrawals subject to the early withdrawal penalties stated below. If your account balance falls below the minimum opening balance requirement, your account will be closed.

**8. MATURITY** — Your account will mature as indicated on this Truth-in-Savings Disclosure or on your Account Receipt or Renewal Notice. Additional deposits can be made at maturity.

**EARLY WITHDRAWAL PENALTY** — We may impose a penalty if you withdraw any of the principal before the maturity date.

**AMOUNT OF PENALTY** — For all Certificate accounts, the amount of the early withdrawal penalty is based on the term of your account. The penalty schedule is as follows:

Terms of under 1 year	90 days' dividends
Terms of 1 year to 3 years	180 days' dividends
Terms of greater than 3 years	365 days' dividends

**HOW THE PENALTY WORKS** — The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividend has already been paid, the penalty will be deducted from the principal.

**EXCEPTIONS TO EARLY WITHDRAWAL PENALTIES** — At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances:

- (i) When an account owner dies.
- (ii) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after establishment.

**RENEWAL POLICY** — For all accounts, your account will automatically renew for another term upon maturity. You have a grace period of seven (7) days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

**NONTRANSFERABLE/NONNEGOTIABLE** — Your account is nontransferable and nonnegotiable. The funds in your account may not be pledged to secure any obligation of an owner, except obligations with the Credit Union.

## V. PRIVACY NOTICE DISCLOSURE

---

### PRIVACY POLICY

Palisades Federal Credit Union (PFCU) has strict security policies and we value our members' privacy. We receive non-public personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us and our affiliates; and
- Information we receive from a consumer-reporting agency.

Furthermore, State and Federal Law obligates us to the following: That "officers, directors, members of committees, and employees of this credit union shall hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except to the extent deemed necessary by the board in connection with:

- (a) The making of loans and extending lines of credit.
- (b) The collection of loans.
- (c) The guarantee of member share drafts by third parties."

Federal law protects the information that PFCU provides to credit reporting agencies and use of your information is strictly governed by the Fair Credit Reporting Act.

The previous paragraph therefore restricts access to your non-public personal information to those staff and PFCU principals who need to know that information to provide products and services to you.

If you then decide to terminate your membership or become an inactive member, we will adhere to the privacy policies and practices as described in this notice.

From time to time PFCU may provide your name and address to companies that perform marketing or other services on our behalf, as permitted by law, so that they may contact you directly regarding either life insurance policies or on other products and services we may be offering. To protect our members' privacy, we only work with companies that agree to maintain strong confidentiality protections. We do not permit these companies to sell to other third parties the information we provide to them.

Internet security, like encryption and "firewalls", protect our Web and Home Banking sites. When visiting our site your personal information is never retained other than as statistical data for internal reporting purposes only.

If you have provided personal identifying information via e-mail, apply for a loan on-line or adding your name and address to our e-mail contact list, the information will only be used to either communicate with you directly or to handle your request. The information contained on any site to which you link from your site is solely the responsibility of the provider of that web site.

***YOUR PERSONAL INFORMATION IS NEVER SOLD, GIVEN,  
OR DISCLOSED TO OTHER PARTIES by PFCU.***

**RATE SCHEDULE - TERM CERTIFICATE ACCOUNTS**

**PALISADES FEDERAL CREDIT UNION**

The rates applicable to your account at the Credit Union are provided in this Rate Schedule. The Credit Union may offer other rates for these accounts from time to time.

300 N. Middletown Road, Suite #6  
 Pearl River, NY 10965  
 (845) 602-4242 • Fax: (845) 602-4444

Member#:

Social Security#:

Name \_\_\_\_\_

Address \_\_\_\_\_

Certificate Number Opening Balance	Term Certificate Account \$500.00 Daily Monthly Account's Term	IRA Term Certificate Account \$500.00 Daily Monthly Account's Term	2 Year Step-Up Certificate Account \$500.00 Daily Monthly Account's Term	5 Year Step-Up Certificate Account \$500.00 Monthly Monthly Account's Term
Effective Date: <b>TERMS</b> <input type="checkbox"/> 3 Month _____ <input type="checkbox"/> 6 Month _____ <input type="checkbox"/> 1 Year _____ <input type="checkbox"/> 2 Year _____ <input type="checkbox"/> 2 Year Step-Up _____ <input type="checkbox"/> 3 Year _____ <input type="checkbox"/> 5 Year _____ <input type="checkbox"/> 5 Year Step-Up _____ Maturity Date: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Minimum Opening Deposit: Dividends Compounded: Dividends Credited: Dividend Period:	Dividend Rate (%) Fixed (%) Annual Percentage Yield (%)	Dividend Rate (%) Fixed (%) Annual Percentage Yield (%)	Dividend Rate (%) Variable- (%) Based on Member Discretion	Dividend Rate (%) Variable- (%) Based on Member Discretion
Additional Deposits: Withdrawals: Renewable:	Not Allowed Allowed--With Penalty Automatic	Not Allowed Allowed--With Penalty Automatic	Not Allowed Allowed--With Penalty Automatic	Not Allowed Allowed--With Penalty Automatic

The rates and fees appearing with this Schedule are accurate and effective for accounts as of the effective date indicated on this Truth-in-Savings Disclosure. If you have any questions or require current rate and fee information on your accounts, please call the Credit Union.

**RATE SCHEDULE - SAVINGS AND CHECKING ACCOUNTS**

The rates applicable to your account at the Credit Union are provided in this Rate Schedule. The Credit Union may offer other rates for these accounts from time to time.

**PALISADES FEDERAL CREDIT UNION**  
 300 N. Middletown Road, Suite #6  
 Pearl River, NY 10965  
 (845) 602-4242 • Fax: (845) 602-4444

Last Dividend Declaration Date:

Name \_\_\_\_\_

Member Number \_\_\_\_\_

<i><b>Disclosure Applicable to Checked Boxes</b></i>	<b>DIVIDENDS</b>			<b>BALANCE REQUIREMENTS</b>				<b>ACCOUNT LIMITATIONS</b>	
	Dividend Rate/ Annual Percentage Yield	Dividends Compounded	Dividends Credited	Dividend Period	Minimum Opening Deposit	Minimum Balance to Avoid a Service Fee	Minimum Balance to Earn the Stated APY		Balance Method to Calculate Dividends
Savings Account		Monthly	Monthly	Monthly (Calendar)	\$5.00	---	\$50.00	Daily Balance	Account transfer limitations apply.
Special Savings Account		Monthly	Monthly	Monthly (Calendar)	\$5.00	---	\$50.00	Daily Balance	Account transfer limitations apply.
Holiday Club Account		None	Annually	Annual (Noncalendar)	---	---	\$50.00	Daily Balance	Account withdrawal limitations apply.
Vacation Account		Monthly	Monthly	Monthly (Calendar)	---	---	\$50.00	Daily Balance	Account transfer and withdrawal limitations apply.

The rates and fees appearing with this Schedule are accurate and effective for accounts as of the last dividend declaration date indicated on this Truth-in-Savings Disclosure. If you have any questions or require current rate and fee information on your accounts, please call the Credit Union.

**RATE SCHEDULE - SAVINGS AND CHECKING ACCOUNTS**

The rates applicable to your account at the Credit Union are provided in this Rate Schedule. The Credit Union may offer other rates for these accounts from time to time.

**PALISADES FEDERAL CREDIT UNION**  
 300 N. Middletown Road, Suite #6  
 Pearl River, NY 10965  
 (845) 602-4242 • Fax: (845) 602-4444

Last Dividend Declaration Date:

Name \_\_\_\_\_

Member Number \_\_\_\_\_

<i>Disclosure Applicable to Checked Boxes</i>	DIVIDENDS				BALANCE REQUIREMENTS				ACCOUNT LIMITATIONS Sub-Section 6 Page 18
	Dividend Rate/ Annual Percentage Yield	Dividends Compounded	Dividends Credited	Dividend Period	Minimum Opening Deposit	Minimum Balance to Avoid a Service Fee	Minimum Balance to Earn the Stated APY	Balance Method to Calculate Dividends	
Tiered Money Market Account	/ / / /	Monthly	Monthly	Monthly (Calendar)	\$2,500.00	\$2,500.00	\$2,500.00	Daily Balance	Account transfer limitations apply.
Tiered IRA Savings Account	/ / /	Monthly	Monthly	Monthly (Calendar)	---	---	\$50.00	Daily Balance	Account transfer limitations apply.
Basic Checking Account	/	---	---	---	---	---	---	---	See Funds Availability Policy Disclosure on page 9 of this booklet.
Premium Checking Account	/ / /	Monthly	Monthly	Monthly (Calendar)	---	\$4,000.00	---	Daily Balance	See Funds Availability Policy Disclosure on page 9 of this booklet.

The rates and fees appearing with this Schedule are accurate and effective for accounts as of the last dividend declaration date indicated on this Truth-in-Savings Disclosure. If you have any questions or require current rate and fee information on your accounts, please call the Credit Union.

## VI. TRUTH-IN-SAVINGS FEE SCHEDULE

---

### **Savings/Money Market Account Fees**

- Savings Dormant Account ..... \$ 10.00 per quarter if balance under \$300.00 and no activity for one (1) year
- Tiered Money Market Account Service ..... \$ 20.00 if any day during the dividend period your account balance falls below the minimum daily balance (no dividends will be paid)
- Savings Account Early Closure ..... \$ 25.00
- Holiday Savings Account Early Closure ..... \$ 10.00
- Savings Member 2nd Account ..... \$ 1.00 per month
- Vacation Club Account  
Excess Withdrawal ..... \$ 5.00, after one (1) over the counter withdrawal per calendar month

### **Checking Account Fees**

- Overdraft to Savings ..... \$ 3.00 per occurrence
- Stop Payment ..... \$ 10.00 per request
- Check Printing ..... Prices may vary depending upon style
- Return Check Item ..... \$ 30.00 per item
- Interim/Statement/Screen Charge ..... \$ 1.00
- Research Statement and  
Clearing Date ..... \$ 5.00
- Check Payable to Third Party ..... \$ 2.00
- Certified Check ..... \$ 10.00
- Inquiry of Check Paid ..... \$ 1.00 per request
- Photocopy of Check ..... \$ 3.00
- Photocopy of Check Mailed to Home ..... \$ 5.00
- Photocopy of Check Faxed ..... \$ 3.00
- Temporary Checks (10) ..... \$ 2.50
- NSF/Uncollected ..... \$ 30.00
- Premium Checking Service ..... \$ 8.00 per month, if a \$4,000.00 minimum monthly balance is not maintained
- Courtesy Pay ..... If member is in good standing, PFCU may honor overdrafts for a fee of \$30.00. The maximum overdraft limit per member at any one time for Courtesy Pay is \$530.00 (\$500.00 plus the fee of \$30.00). Member will have ten (10) business days to bring their checking account current. Member may choose to opt-out of Courtesy Pay by providing the Credit Union their intentions in writing.

Continued on next page

**EPay Electronic Bill Payment Fees**

- Nonsufficient Funds .....\$ 30.00
- **EPay** Stop Payment .....\$ 35.00
- Copy of Check Issued Through **EPay** .....\$ 35.00
- **EPay** Investigation .....\$ 20.00
- **EPay** Investigation Requiring  
Third Party Research .....\$ 35.00
- **EPay Monthly Service** .....\$ 6.95 fee when you don't use EPay within a  
60 day period

**Other Service Fees (applicable to all accounts)**

- Account Research .....\$ 20.00 per hour
- Wire Transfer (Incoming) .....No fee
- Wire Transfer (Outgoing-Domestic) .....\$ 20.00 per transfer
- Wire Transfer (Outgoing-International) .....\$ 35.00 per transfer
- Certified Check .....\$ 10.00 per check
- Money Order .....\$ 1.50 per money order
- Money Order (Nonmembers) .....\$ 3.00 per money order
- American Express Travelers Check .....\$ 1.00 per \$100.00
- American Express Travelers  
Checks (Nonmembers) .....\$ 2.00 per \$100.00
- American Express Gift Checks .....\$ 2.50 per check
- Legal Process .....\$ 25.00
- Inactive Account .....\$ 10.00 per quarter and account under \$300.00
- Signature Guarantee (Members Only) .....Free
- Notary Public (Members Only) .....Free
- Notary Public (Nonmembers) .....\$ 2.00
- Verification of Mortgage/Deposits .....\$ 15.00
- Copy of Statement .....\$ 5.00
- Account Verification .....\$ 15.00
- Legal Notices Posted .....\$ 25.00
- Loan Delinquent  
(More Than 15 Days) .....5% of payment
- Deposit Item Return .....\$ 10.00
- ACH Return .....\$ 30.00
- VISA Credit Card Document Copy .....\$ 5.00

\*We do not have Safe Deposit boxes

Continued on next page

**Electronic Funds Transfer Fees**

- Withdrawal/Transfers/Balance  
Inquiries at PFCU's ATMs ..... No fee
- Nonproprietary ATM Withdrawal/Transfer ..... \$ 1.00 for each ATM after six (6) withdrawals  
per month
- Balance Inquiries ..... \$ 0.50
- ATM Transaction With a Negative Balance ..... \$ 30.00
- ATM/VISA Replacement Card ..... \$ 5.00
- VISA Check Card Withdrawal/Transfer/Balance  
Inquiries ..... at PFCU's ATM No Fee
- VISA Check Card Usage at a Nonproprietary  
ATM Withdrawal/Transfer ..... \$ 1.00 for each ATM after six (6) withdrawals  
per month
- VISA Check Card Balance Inquiry at a  
Nonproprietary ATM ..... \$ 0.50
- VISA Check Card Transfer with  
Nonsufficient Funds ..... \$ 30.00
- VISA Check Card Replacement ..... \$ 5.00
- VISA Check Card Return Check Deposit ..... \$ 10.00
- **Home Banking** ..... \$ 2.00 if not used within a 180 day period

**Credit Union Membership**

- Membership Share ..... \$ 5.00 par value

**Branch Office:**

401 N. Middletown Road, Bldg 140  
Pearl River, NY 10965

Your savings federally insured to at least \$100,000  
and backed by the full faith and credit of the United States Government

**NCUA**

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

To reorder call  
1-800-356-5012