

number changes, please let us know. It is important that we have current information on how to reach you. If we detect potentially fraudulent or unauthorized activity or use of an account, we will attempt to contact you immediately.

- Let us know if you have questions. Please do not hesitate to call us—we are here to serve you!

Electronic Funds Transfers Agreement (EFT) Disclosure Initial Disclosure (No Access Device)

This agreement covers EFTs made to or from your account without the use of a card, PIN or other access device issued to you.

1. Here are some of the types of EFTs available to you: Deposit of Employer payroll, Deposit of Government payments and Pre-Authorized Debits. In addition, merchants and other payees may make a one-time electronic payment from your share draft or checking account using information you provide on or with a share draft or check to pay for purchases or pay bills. These debits are EFTs subject to this agreement.
2. For a Share, Savings, or other account in which transfer limitations apply, no more than six (6) preauthorized, automatic, telephone transfers, transfers made by a check, draft, or debit card may be made from these accounts to another account of yours or to a third party in any month. If you exceed these limitations, your account may be subject to a fee or be closed.
3. There are no charges for EFTs or the right to make EFTs. However, a fee will be assessed for each EFT returned due to insufficient funds, account closure, etc. Refer to our Rate and Fee Schedule for current fees for returned items.
4. For the purposes of this disclosure, the business days of the credit union are Monday–Friday. EFTs, in most cases, will be posted to your account by the open of the normal business day. The following holidays are not business days: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day.
5. Here is a summary of your right to receive documentation of EFTs:
Periodic Statement: You will receive a quarterly account statement on share accounts. You will receive a monthly account statement on share accounts if any EFT or a Supervisory Committee Audit occurs during that month. You will receive a monthly account statement of share draft accounts.
Notice of Credits: If you have arranged to have EFT deposits made to your account, you can call us at 207-623-5171 to find out whether or not the deposit has been made.
6. Here is a summary of your right to stop payment of preauthorized debits and the procedure for doing so: If you have told us in advance to make regular payments out of your account, you may stop any of these payments. Simply call us at 207-623-5171 or write us at 316 West River Road, Augusta, Maine 04330 in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we will request that you sign a form here at the credit union which must be done within fourteen (14) business days after you call. You will be charged for each stop payment order given. Refer to the Rate and Fee Schedule for current fees.
7. If you order us to stop one of these payments three business days or more before the transfer and we do not do so we will be liable for your losses or damages.
8. Here is a summary of our liability to you for failure to make or stop certain 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 will be liable for your losses or damages. However, there are exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
 - If the transfer would go over the credit limit on your overdraft line.
 - If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
 - If we have reason to believe that transactions involving your account may be unauthorized, fraudulent, illegal, or otherwise improper.
9. Here are the circumstances under which we will disclose information to third parties about your account or the transfers you make:
 - When necessary for completing transfers.
 - In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant.
 - In order to comply with government agency or court orders.
 - If you give us written permission.
 - Where permitted under applicable law.

ACH Funds Transfers

This section addresses Non-Consumer Accounts only.

You may desire to receive an electronic transfer of funds into your account. Such transfers may be transmitted through the Automated Clearing House (“ACH”) System. Your rights and responsibilities will be governed by Maine law, including Article 4A of the Uniform Commercial Code. Credit given by your credit union with respect to these transfers is provisional until the credit union receives final settlement through a Federal Reserve Bank or otherwise has received payment. If your credit union does not receive payment for a transfer, then the credit union is entitled to a refund from you in the amount credited to you on a provisional basis, and the originator of the transfer will not be considered to have paid the amount of the entry to your account. Your credit union is not obligated by ACH rules to provide you with notice any time that it has received a transfer and made an entry to your account unless the credit union has otherwise agreed to do so.

This section applies to Consumer Accounts Involving Electronic Funds Transfers.

Tell us at once if you believe that an electronic fund transfer has been made without your permission using information from your check or other use. 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 you tell us within 2 business days after you learn of the unauthorized transfer, you can lose no more than \$50.

If you do NOT tell us within 2 business days after you learn of the unauthorized transfer, and we can prove we could have stopped someone from making the transfer 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, made by any 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 you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If extenuating circumstances (such as a long trip or a hospital stay) kept you from telling us, we will extend the time for reasonable periods.

Contact in the Event of Unauthorized Transfer. If you believe an unauthorized transfer was made, call 207-623-5171, or write to KV Federal Credit Union, 316 West River Road, Augusta, Maine 04330.

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

Fair and Accurate Credit Transactions Act Notice

We may report information about your accounts to credit bureaus. Late or missed payments, or other defaults, may be reflected in your credit report.



Member Agreement and Disclosures



Main Office

316 West River Road · Augusta, ME 04330
(207) 623-5171

Branch Office

35 Oak Street · Oakland, ME 04963
(207) 465-4423

www.kvfcu.org

Rev. 1/12



Federally Insured by NCUA



We Do Business in Accordance With the
Equal Housing Opportunity Act
Equal Credit Opportunity Act



Membership Agreement and Disclosures

“You” and “Your” shall mean the member who owns the account at the credit union, as well as any other owner of the account. KV Federal Credit Union is unique in the financial world. It is a co-op, owned by you and your fellow members and operated in your common interest. Your credit union is non-profit and exists only to serve you, not to make money. As a credit union member, you own, operate, and control your credit union through your Board of Directors. You are entitled to elect and be elected to the volunteer Board of Directors, which is composed of your fellow members and manages the credit union based on the needs and wishes of the members. The Board of Directors sets dividend rates, loan interest rates, and fees, among other things, and also determines credit union policy such as that set forth in this Agreement. In addition, your credit union works cooperatively with Maine’s other credit unions and the Maine Credit Union League, pooling resources for research and development of cost effective services which benefit not only you and your fellow members, but all credit union members in Maine.

General Terms. This Agreement contains the terms and conditions governing your membership in and accounts offered by your credit union. By signing your membership card and/or account agreement(s), you accept and agree to be bound by the provisions as set forth in them, this Agreement, the rate and fee disclosures applicable to your account(s) with your credit union, your credit union’s charter and bylaws, and any amendments or changes in terms to any of them. The credit union reserves the right to change any and all terms and conditions of any of them. You will receive notice of any changes in terms in accordance with all applicable state and federal laws and regulations.

The terms and conditions as set forth in this Agreement are applicable to all types of accounts offered by your credit union. There may be different or more specific terms and conditions which apply to certain accounts. Those different or specific terms are contained in the membership card, share certificate, or other documents evidencing the account. To the extent that those documents contain different terms from, or terms that are not included in, this Agreement, the terms in those documents supersede the terms contained in this Agreement.

Privileges of Credit Union Membership. Credit Union Membership carries with it many privileges, including check cashing ability; the ability to open accounts other than ordinary share accounts, such as share draft accounts; to make and receive electronic funds transfers and wire transfers; and to obtain loans and lines of credit. However, it is your credit union’s policy to deny these privileges to members who cause a loss to the credit union for any reason. Therefore, if you cause a loss to your credit union, and thus to your fellow members, you will lose your privileges of credit union membership.

BUSINESS/COMMERCIAL MEMBERS ARE PROHIBITED FROM ENGAGING IN UNLAWFUL INTERNET GAMBLING—UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT NOTICE:

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in illegal or unlawful Internet gambling.

Account Ownership. You can structure the ownership of your account(s) at your credit union in a variety of ways. Rights and obligations relating to the account will depend on the type of ownership of the account.

1. **Sole Accounts.** If you are the sole owner of an account, only you can make deposits or withdrawals or otherwise have access to the funds in the account. Under Maine law, upon your death, the funds in the account are distributed in accordance with the terms of your will or, if you do not leave a will, the intestacy provisions of the Probate Code.
2. **Joint Accounts.** Any joint owner has an equal right of access to the funds in a joint account and can withdraw all of the funds in the account at any time without permission from or notification to the other joint owner(s). At the death of one joint owner, the funds

automatically belong to the surviving joint owner(s). Joint owners do not have to be credit union members. Any person named as a joint owner of your regular share account will also be a joint owner of all your other sub accounts of the regular share account at your credit union unless otherwise specified in writing. Exceptions to this rule include share draft checking, share certificates and IRAs, which require separate signed agreements.

3. **Payable on Death Accounts.** Payable on death accounts belong to the person(s) listed as the owner or owners of the account during their lives. On death, the funds automatically belong to the person or persons designated as payable on death beneficiaries. Any person named as a payable on death beneficiary of your regular share account will also be a payable on death beneficiary of all your other accounts at your credit union, except for share draft (checking) accounts and IRA accounts.
4. **Non-Consumer Organizational Accounts.** The above are account types of “consumers,” i.e., individuals who hold accounts for personal, family, and household purposes. Non-consumer accounts may be opened by members and may include accounts owned by members that are organizations. The funds in an organizational account are owned by a corporation, trust (including a living trust), partnership, social club, sports team, etc. In order for the organization to be a credit union member, eligibility requirements must be met in accordance with the credit union’s charter. If the organization does not qualify for membership, it can be a joint owner of the account with an individual member.

Lien on Shares. A lien will be impressed on all of your credit union shares and share dividends in an amount equal to that which you may owe your credit union because of a loan, dues, or any other charges payable by you to your credit union. The lien may be enforced and your funds withdrawn and applied to your debt without further notice to you except where required by law, if you default in paying the amount you owe.

Account Closing. Your regular credit union share account cannot be closed until all amounts you owe your credit union are paid in full and all other accounts that you have with your credit union are closed.

Endorsements. All check/share draft endorsements must be made in the first one and one-half inches of the trailing edge of the back of the check/share draft. The trailing edge is opposite the left side of the face of the check. You will be responsible for any costs incurred by your credit union due to delays in returning checks or share drafts deposited into your account that do not comply with these endorsement standards.

Share Insurance. Funds in your accounts at your credit union are insured to at least \$250,000 by the National Credit Union Administration (NCUA), an agency of the United States Government. Certain retirement accounts, such as IRAs and Keoghs, are insured separately up to \$250,000. Copies of the NCUA brochure, *Your Insured Funds* are available at each credit union office and are also available upon request.

Governing Law. The rights, duties, obligations and liabilities of you and your credit union in connection with your membership and account(s) are and shall be controlled by Maine and/or federal law as applicable and in effect at the time the rights, duties, obligations, and liabilities arise, other than as specifically set forth in this Agreement, your credit union charter and bylaws, or your specific account documentation.

Regulation CC: Funds Availability Disclosures Important information on deposits, holds, and withdrawals

YOUR ABILITY TO WITHDRAW FUNDS AT YOUR CREDIT UNION

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. 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 state and federal holidays. If you make a deposit before 4:00 P.M. on a business day that we are open, we will consider that day to be the date of your deposit.

However, if you make a deposit after 4:00 P.M. or on a day that we are not open, we will consider that the deposit was made on the next business day we are open.

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 that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$100.00 of your deposit may be available on the first 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 next business 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.

Holds on Other Funds. If we cash a share draft or 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.

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

Deposits at Automated Teller Machines. Funds from any deposits, whether cash, share drafts, or checks, made at automated teller machines (ATMs) which your credit union does not own or operate will not be available until the second business day after the day of your deposit. A credit union owned ATM is indicated by the name displayed on the welcome screen. Funds from any deposits, whether cash, share drafts, or checks, made at automated teller machines (ATMs) which your credit union owns will be available on the day of your deposit.

Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first thirty (30) days your account is open.

Funds from electronic direct deposits to your account will be available to you on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first \$5,000 of a day's total deposit of cashier's, certified, teller's, traveler's and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the fifth 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 the credit union's employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check or share draft deposits will be available on

the seventh business day after the day of your deposit.

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.

Privacy Notice and Disclosure

Your member-owned financial institution is committed to providing you with competitive products and services to meet your financial needs and help you reach your goals. We are equally committed to protecting the privacy of our members. Under federal law, we are required to give you this privacy notice. It describes our credit union's privacy policy and practices concerning the personal information we collect and disclose about our members. It also includes information about the parties who receive personal and sometimes nonpublic information from us as we conduct the business of the credit union. These practices are followed by the credit union.

If after reading this notice you have questions, please contact us at 207-623-5171, or write to KV Federal Credit Union, 316 West River Road, Augusta, Maine 04330.

Information We Collect About You. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications and other forms
- Information about your transactions with us
- Information we receive from a consumer reporting agency
- Information obtained when verifying the information you provide on an application or other forms. This may be obtained from your current or past employers, or from other institutions where you conduct financial transactions.

Information We Disclose. We do not disclose any nonpublic personal information about our members or former members to anyone, except as permitted by law.

Disclosure of Information to Parties that Provide Service to Us. We may disclose all of the information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

Disclosure of Information about Former Members. If you terminate your membership with KV Federal Credit Union we will not share information we have collected about you, except as may be permitted or required by law.

How We Protect Your Information. We restrict access to nonpublic personal information about you to persons who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with Federal Regulations to guard your nonpublic personal information.

What Members Can Do to Help. KV Federal Credit Union is committed to protecting the privacy of its members. Members can help by following these simple guidelines:

- Protect your account numbers, plastic card numbers, PINs (personal identification numbers) and passwords. Never keep your PIN with your card, which can provide access to accounts if your card is lost or stolen.
- Use caution when disclosing your account numbers, social security numbers, etc. to other persons. If someone calls you explaining the call is on behalf of the credit union and asks for your account number, you should beware. Official credit union staff will have access to your information and will not need to ask for it.
- Keep your information with us current. If your address or phone