



## MEMBERSHIP DISCLOSURES

Important Information:  
PLEASE RETAIN FOR YOUR RECORDS

EFFECTIVE APRIL 2019

## TABLE OF CONTENTS

MEMBERSHIP DISCLOSURE .....	1
SAVINGS ACCOUNT DISCLOSURE.....	3
CHECKING ACCOUNT DISCLOSURE .....	5
STATUTORY LIEN AGREEMENT .....	7
MONEY MARKET SAVINGS ACCOUNT (MMSA) DISCLOSURE.....	8
ELECTRONIC FUND TRANSFER DISCLOSURE .....	9
SAFETY CONSIDERATIONS USING AN ATM .....	15
FUNDS AVAILABILITY DISCLOSURE .....	16
NOTICE FOR CALIFORNIA RESIDENTS .....	20
MEMBERSHIP AGREEMENT .....	21
JOINT SHARE ACCOUNT AGREEMENT .....	22
CHECKING ACCOUNT/MMSA AGREEMENT.....	22
DEBIT CARD/ATM CARD/ATM, LTD. CARD AGREEMENT .....	26

**Note:** PenFed (Pentagon Federal Credit Union) Share Rates and Service Fees flyers are part of this brochure.

This document contains disclosures required by various consumer regulations. Each account or service provided by PenFed has its own agreement providing the terms and conditions for the account or service. There are other state and federal laws that govern our relationship with you which are too large and complex to be included in this document.

### IMPORTANT INFORMATION ABOUT PROCEDURES FOR ESTABLISHING MEMBERSHIP

To assist the government's fight of funding terrorism and money laundering activities, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, address, date of birth, social security number, and a valid ID that will allow us to identify you. When we are not able to review the documents in person, we will ask you to have them notarized. PenFed will maintain the confidentiality of any information obtained in accordance with PenFed's privacy policy and applicable laws and regulations.

In addition, we may obtain a credit report from a consumer reporting agency prior to opening the following: Regular Share (savings) account, Premium Online Savings account, checking account, Money Market Savings account, all loans and lines of credit, and all credit card products.

## MEMBERSHIP DISCLOSURE

The following disclosures are applicable to all share accounts and to any individual having access to any share or loan account. These terms are subject to change upon written notice. The words "I," "me," "my," "myself," mean each person signing the membership application/signature card including anyone who has access to the account(s).

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

B. BYLAW PROVISIONS. The par value of a share is \$5.00. If my account has a balance of less than \$5.00 and is not increased within six (6) months, my account will be absorbed by a late charge. If my account becomes dormant, the account is reportable and funds are remitted pursuant to state unclaimed property laws. If I am delinquent on any loan, I may not withdraw any shares below the amount of my loan balance.

C. CURRENT ADDRESS. I agree to keep you informed of any change in my postal mailing address. I understand that if I fail to do so you may charge my account a locator fee paid to obtain a current mailing address. I understand that my account shall be subject to a quarterly fee should there be no activity on my account for one year in addition to having a bad address. In addition, if I sign up for e-statements, I agree to keep you informed of any change in my e-mail address so that I continue to receive notification that my statement is available for viewing online.

D. CREDIT REPORTS. I understand that PenFed will obtain a credit report which may be helpful or necessary in the evaluation of my eligibility for additional PenFed products, or for account maintenance purposes. Such reports may be used for additional products for which I apply within a 90 day period.

E. FUNDS AVAILABILITY. I understand PenFed's Funds Availability Disclosure describes the availability of funds deposited in my accounts. These funds will be subject to collection through normal banking channels and PenFed's hold policy.

F. POWERS OF ATTORNEY (POA). I understand that PenFed may refuse to accept a POA executed by me. PenFed requires the completion of an agent's affidavit and the principal must indemnify PenFed for any loss PenFed may incur as a consequence of accepting the POA.

G. STATEMENT FREQUENCY. In an effort to respect our environment, keep rates low, and help protect my identity, I understand that PenFed does not mail paper statements when I have no transactions or statement billing for a loan, except in quarterly months (January, April, July, and October).

H. REVIEW OF STATEMENTS. Any objection which I may have regarding an item shown on a statement of my account(s) shall be waived unless it is made orally or in writing to PenFed before the expiration of sixty (60) days from the date the statement or statement notification is sent. If the objection is made orally, PenFed may also require me to provide it in writing within ten (10) business days.

I. **FEDERALLY INSURED.** PenFed is federally insured by the National Credit Union Administration (NCUA), an agency of the United States Government.

J. **INDEBTEDNESS.** PenFed is authorized, at any time, to charge against the funds in my account(s) any indebtedness or charge owing to it by any owner. If I have pledged funds in an account as security for a loan, these funds may not be withdrawn.

K. **NOTICE OF WITHDRAWAL.** PenFed reserves the right to require a written notice of up to sixty (60) days of the intention to withdraw funds. Such a requirement, if imposed, may not extend the term of a share certificate beyond the established maturity date.

L. **MEMBERSHIP TERMINATION.** My membership may terminate upon withdrawal of all funds in my account(s).

M. **WIRE TRANSFERS.** If I send or receive funds by wire transfer, Fedwire may be used, and Regulation J is the regulation governing the transactions and my rights and liabilities. If I give PenFed a payment order to be wire transferred which identifies the beneficiary (recipient of funds) by name and account number, payment may be made by the beneficiary's bank on the basis of the account number even if it identifies a person different than the beneficiary. If I give PenFed a payment order which identifies an intermediary or beneficiary's bank by both name and identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different person than the named bank.

***Provisional payment disclosure.*** PenFed may in its sole discretion give me a credit for wire transfers before it receives final settlement of the funds transfer. PenFed reserves the right to reject any transfer without liability to me. Any such credit is provisional until PenFed receives final settlement. If PenFed does not receive such settlement it is entitled to a refund from me in the amount provisionally credited.

***Notice disclosure.*** I agree that PenFed is not obligated to provide me with next day notice of receipt of wire transfers to my account. I will receive notices of receipt of such transfers on my periodic account statement.

***Cut-off times.*** PenFed may establish cut-off times for the receipt and processing of funds transfer requests, amendments or cancellations. Payment orders, cancellations, or amendments received after the cut-off time may be treated as having been received on the next funds transfer business day. Incoming cutoff: 3:30PM Central Time (CT); outgoing domestic cutoff: 3:00PM CT; outgoing international cutoff: 2:30PM CT.

***International Wire Transfers.*** Funds sent by wire transfer to recipient accounts in a foreign country are governed by Regulation E.

N. **AUTOMATED CLEARING HOUSE (ACH) PAYMENTS.** I understand and agree that National Automated Clearing House Association's (NACHA) rules and regulations govern these transactions.

***Provisional payment disclosure.*** Credit given by PenFed to

me with respect to an ACH credit entry is provisional until PenFed receives final settlement for such entry through a Federal Reserve Bank. If PenFed does not receive such final settlement, I am hereby notified and agree that PenFed is entitled to a refund of the amount credited to me in connection with such entry, and the party making payment to me via such entry (i.e., the originator of the entry) shall not be deemed to have paid me in the amount of such entry.

**Notice disclosure.** Under the NACHA operating rules, PenFed is not required to give next day notice to me of receipt of an ACH item and PenFed will not do so. However, PenFed will continue to notify me of the receipt of payments on my periodic account statement.

**Security procedures for wire transfers and ACH transactions.** PenFed may establish security procedures to verify the authenticity of a payment order. I agree that the authenticity of payment orders may be verified using that security procedure unless I notify PenFed in writing that I do not agree to that security procedure. In that event, PenFed shall have no obligation to accept any payment order from me or other authorized parties on the account until I and PenFed agree in writing to an alternate security procedure.

**Choice of law disclosure for wire transfers and ACH transactions.** PenFed may accept on my behalf payments to my account which have been transmitted through one or more Automated Clearing Houses or by wire transfer and which are not subject to the Electronic Fund Transfer Act. My rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia as provided by the operating rules of the NACHA, which are applicable to ACH transactions involving my account, and/or by Regulation J for wire transfers.

O. METHODS OF CONTACT. If PenFed needs to contact me to service my account(s) with PenFed, collect amounts I owe to PenFed, or discuss pre-screen offers from PenFed, I authorize PenFed to contact me at any phone number I provide, or from which I call PenFed, or at which PenFed reasonably believes it may reach me. PenFed may contact me by calling or texting or any other appropriate means. I agree PenFed may contact me at any of the numbers mentioned above by automated means, pre-recorded messages, artificial voice or text. I agree PenFed may contact me on a mobile, wireless, cell phone or similar device even if I am charged for it. I also agree that I am the subscriber/owner of the device's account or have been granted the authority by the subscriber/owner of such device to provide PenFed with the number and the owner consents to such contact.

#### SAVINGS ACCOUNT DISCLOSURE (REGULAR SAVINGS, PREMIUM ONLINE SAVINGS)

This disclosure is applicable to all PenFed accounts designated as a Regular or Premium Online Savings account. This includes, but is not limited to, Regular Share accounts further designated as follows: accounts for Individual Retirement Arrangements (IRA); accounts designated as Payable on Death accounts; accounts designated as a Representative Payee account; accounts established pursuant

to the Virginia Uniform Transfers to Minors Act; and accounts established pursuant to a Revocable Living Trust or Irrevocable Trust.

A. RATE INFORMATION. The dividend rate and Annual Percentage Yield (APY) are stated on the rate sheet available at PenFed.org. For purposes of this disclosure, this dividend rate and APY were offered within the most recent seven (7) calendar days and are accurate as of the date on the rate sheet.

This is a variable rate account. The dividend rate and APY may change monthly, as determined by the board of directors. There are no limitations on the amount the dividend rate may change.

**IRA Premier account only:** The dividend rate on my account is based on the daily balance. If my balance is \$10,000 or more, I will be paid the dividend rate applicable to this tier. If my balance is less than \$10,000, I will be paid the rate applicable to this tier.

B. COMPOUNDING AND CREDITING. Dividends are paid and compounded monthly. The dividend period is monthly and the dividend payment date is determined by my member number.

C. MINIMUM BALANCE REQUIREMENT. The minimum balance to open this account is \$5.00. For IRA regular share accounts the minimum balance to open the account is \$25.00. For IRA Premier, the minimum balance is \$10,000.

D. BALANCE COMPUTATION METHOD. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in my account each day. **Premium Online Savings Account Only: Daily balances up to \$250,000 will earn dividends. Amounts over \$250,000 do not earn dividends.**

E. ACCRUAL OF DIVIDENDS. Dividends will begin to accrue on the business day I deposit funds to my account.

F. FEES AND CHARGES. My account may be subject to fees and charges. To obtain current fee and charge information, visit PenFed.org or call 800-247-5626 to request a copy.

G. TRANSACTION LIMITATIONS. There is no limit to the number of PenFed or foreign ATM withdrawals I may make from this account. However, federal regulation limits the following to no more than a total of 6 per monthly dividend cycle: transfers or withdrawals made to another PenFed account (other than for the purpose of repaying a PenFed loan and associated expenses) if made by preauthorized or automatic transfer, by telephone or fax, or via PenFed Online (PFOL) or the mobile application; transfers or withdrawals to a third party if made by preauthorized or automatic transfers, by telephone or fax, or via PFOL; or transfers to a third party if made by check, draft, debit card or similar order made by me and payable to a third party. If I exceed these limitations my account will be subject to an excessive transaction fee and may be closed. Note: There is no ATM access for the Premium Online Savings account.

H. MONTHLY STATEMENT FEES. My account is subject to a fee if I elect to receive paper statements (except where prohibited by law). Service Fees are available online at PenFed.org or by

telephone at 800-247-5626.

#### CHECKING ACCOUNT DISCLOSURES

(Access America, Complete Access, PenCheck Plus, and PenCheck Net)

A. MINIMUM BALANCE REQUIREMENT. The minimum balance to open an Access America Checking account is \$25.

B. FEES AND CHARGES. If I have a Direct Deposit or electronic payroll deposit of \$500 or more into this account each month, there are no recurring service fees. Otherwise, I must maintain a minimum daily balance of \$500 to avoid the monthly service charge on my account.

A fee will be assessed for non-sufficient funds or uncollected funds (deposits on hold); refer to the Service Fees available at PenFed.org for the amount of this fee. This fee applies to withdrawals by means of a check, ACH debit, or an electronic debit. This fee will be assessed should we decline to pay the item or pay the item, creating a negative balance on my account. PenFed in its sole discretion will decide whether to pay an item thus creating a negative balance on my account. My account may be subject to other fees and charges. Service Fees are available online at PenFed.org or by telephone at 800-247-5626.

C. TRANSACTION LIMITATIONS. There are no limits to the number of transactions per statement period.

D. DIVIDENDS. Dividends are paid on existing PenCheck Plus and Access America Checking accounts. Dividends are not paid on Complete Access and PenCheck Net accounts.

**Access America Checking account only:** Access America Checking account holders can earn dividends with aggregate direct deposits of \$500 or more in a statement cycle. If an account is closed prior to the end of a statement cycle, dividends will be paid if the aggregate direct deposit requirement is met on the date of account closing. When the Access America Checking account qualifies for dividends within a statement cycle, PenFed will pay dividends using the daily balance method for balances in the account during that statement cycle at the stated dividend rate tiers that correspond to the daily balance. There is a minimum daily balance requirement of \$500 or at least a \$500 direct deposit in the statement cycle to avoid the monthly fee.

This is a variable rate account. The dividend rates, tiers and APY ranges can change monthly as determined by the Board of Directors. There are no limitations on the amount the dividend rate or tiers may change. When applicable, the dividend rate paid is based on the daily balance in the account for each day within a statement cycle. Daily balances from \$0 to \$19,999.99 will earn dividends corresponding to the first tier. Daily balances from \$20,000 or more, up to \$50,000 will earn dividends corresponding to the second tier on the entire daily balance. Amounts over \$50,000 do not earn dividends.

1. RATE INFORMATION. The dividend rate and Annual Percentage Yield (APY) are stated on the rate sheet available with this disclosure. For purposes of this disclosure, this dividend rate and APY were offered within the most recent seven (7) calendar days and are accurate as of the date on the

rate sheet. You may obtain current rate information at any time by visiting PenFed.org or calling 800-247-5626.

2. COMPOUNDING AND CREDITING. When direct deposit requirements have been met within a statement cycle, dividends are compounded daily and paid monthly and the dividend payment date is determined by my member number.

3. BALANCE COMPUTATION METHOD. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the tiered portion of the daily balance in the account for each day of the statement cycle.

4. ACCRUAL OF DIVIDENDS. When an account is eligible to earn dividends, dividends will begin to accrue on the business day funds are deposited to my account.

5. FEES. Fees may reduce earnings on this account.

6. MASTER ACCOUNT. PenFed will establish, on my behalf, a master account (your current checking account) and two subaccounts. All information that is made available to me about my account will be at the master account level. The subaccounts will be comprised of a savings account and a transaction account. Both subaccounts will earn the same rate of dividends, if applicable. At the beginning of each statement period, PenFed will allocate funds between the two (2) subaccounts as it deems appropriate. Checks received by PenFed that are drawn against my master account will be presented for payment against the transaction subaccount. Funds will be transferred from the savings subaccount to cover checks presented against the transaction subaccount as may be needed. On the sixth transfer from the savings subaccount during a given statement period all of the funds on deposit in the savings subaccount will be transferred to the transaction subaccount. **This change will not affect my use of my checking account, nor the terms and conditions for service charges, balance requirements, or dividends. All of this activity is internal to PenFed and will not be shown on my monthly statement of account. This change will not affect any other aspect of my PenFed checking account relationship.**

***Pencheck plus accounts only.*** PenFed pays dividends on the full balance in the account at the stated dividend rate that corresponds to the applicable balance tier. Therefore, during the dividend period based on the fluctuating daily balance in my account, I may be paid dividends at varying dividend rates. The minimum daily balance required to earn dividends and to avoid the monthly fee is \$500.

This is a variable rate account. The dividend rates and APY may change monthly as determined by the board of directors. There are no limitations on the amount the dividend rate may change. The dividend rate paid is based on the daily balance in my account. If my daily balance is \$2,500 or more, I will be paid the dividend rate applicable to this tier. If my daily balance is \$500 or more but less than \$2,500, I will be paid the dividend rate applicable to this tier. If my daily balance is less than \$500, I will not earn dividends.

1. RATE INFORMATION. The dividend rate and Annual Percentage Yield (APY) are stated on the rate sheet available



with this disclosure. For purposes of this disclosure, this dividend rate and APY were offered within the most recent seven (7) calendar days and are accurate as of the date on the ratesheet. You may obtain current rate information at any time by visiting PenFed.org or calling 800-247-5626.

2. COMPOUNDING AND CREDITING. Dividends are paid and compounded monthly. The dividend period is monthly, and the dividend payment date is determined by my member number.

3. BALANCE COMPUTATION METHOD. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in my account each day.

4. ACCRUAL OF DIVIDENDS. Dividends will begin to accrue on the business day funds are deposited to my account.

5. MASTER ACCOUNT. PenFed will establish, on my behalf, a master account (your current checking account) and two subaccounts. All information that is made available to me about my account will be at the master account level. The subaccounts will be comprised of a savings account and a transaction account. Both subaccounts will earn the same rate of dividends, if applicable. At the beginning of each statement period, PenFed will allocate funds between the two (2) subaccounts as it deems appropriate. Checks received by PenFed that are drawn against my master account will be presented for payment against the transaction subaccount. Funds will be transferred from the savings subaccount to cover checks presented against the transaction subaccount as may be needed. On the sixth transfer from the savings subaccount during a given statement period all of the funds on deposit in the savings subaccount will be transferred to the transaction subaccount. **This change will not affect my use of my checking account, nor the terms and conditions for service charges, balance requirements, or dividends. All of this activity is internal to PenFed and will not be shown on my monthly statement of account. This change will not affect any other aspect of my PenFed checking account relationship.**

#### STATUTORY LIEN AGREEMENT

My account agreements with PenFed include a provision that allows PenFed to apply funds I have available in any of my PenFed accounts to offset indebtedness I have incurred to PenFed. This provision has not been applicable in the past nor is it applicable in the future to my individual retirement accounts (IRA). PenFed is therefore clarifying the provision, as highlighted below, to read as follows.

STATUTORY LIEN. I agree that PenFed has the right pursuant to its statutory lien and further, I hereby appoint PenFed as my agent under a special power of attorney as well as give my express consent to enable PenFed to charge against any balance in any of my accounts, including accounts on which I am a joint owner, to include any otherwise statutorily protected funds that may not otherwise be available by legal process, to pay any indebtedness or other outstanding financial obligation owed by me or any person who is listed as a joint owner on my accounts, including a deceased joint owner. **This provision does not include my individual**

**retirement account (IRA) or any other account for which this provision is not permitted under Internal Revenue Code.** PenFed may take such action without further notice to me or any joint owner. In regard to those funds that have a statutory protection, I understand that I may withdraw the special power of attorney and consent for PenFed to apply such funds to pay any such indebtedness by notifying PenFed in writing. If my agency appointment or consent is withdrawn, PenFed may in its sole discretion terminate any and all services that I have with the credit union.

#### MONEY MARKET SAVINGS ACCOUNT (MMSA) DISCLOSURE

A. RATE INFORMATION. The dividend rate and Annual Percentage Yield (APY) are stated on the rate sheet available with this disclosure. For purposes of this disclosure, this dividend rate and APY were offered within the most recent seven (7) calendar days and are accurate as of the date on the rate sheet. I may obtain current rate information at any time by visiting PenFed.org or calling 800-247-5626.

This is a variable rate account. The dividend rates and APY may change monthly as determined by the board of directors. There are no limitations on the amount the dividend rate may change. The dividend rate paid is based on the daily balance in my account. A dividend shall apply to balances based on the following tiers:

- \$100,000 or more
- \$10,000 to \$99,999
- Below \$10,000

PenFed pays dividends on the full balance in the account at the dividend rate that corresponds to the applicable share balance tier. Therefore, during my dividend period based on fluctuating account balance, I may be paid dividends at varying dividend rates. These tiers are subject to change.

B. COMPOUNDING AND CREDITING. Dividends are paid and compounded monthly. The dividend period is monthly, and the dividend payment date is determined by my member number.

C. MINIMUM BALANCE REQUIREMENT. A minimum balance of \$25 is required to open this account. Thereafter, there is no minimum balance requirement.

D. BALANCE COMPUTATION METHOD. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the principal in my account each day.

E. ACCRUAL OF DIVIDENDS. Dividends will begin to accrue on the business day funds are deposited to my account.

F. FEES AND CHARGES. My account may be subject to fees and charges. Service Fees are available by telephone at 800-247-5626 or online at PenFed.org.

A fee will be assessed for non-sufficient funds or uncollected funds (deposits on hold). This fee applies to withdrawals by means of any check, ACH debit, or an electronic debit. This fee will be assessed should we decline to pay the item or pay the item, creating a negative balance on your account.

PenFed in its sole discretion will decide whether to pay an item thus creating a negative balance on my account. My account may be subject to other fees and charges. I may refer to the list of service fees for details.

**G. TRANSACTION LIMITATIONS.** There is no limit to the number of PenFed or foreign ATM withdrawals I may make from this account. However, federal regulation limits the following to no more than a total of 6 per monthly dividend cycle: transfers or withdrawals made to another PenFed account (other than for the purpose of repaying a PenFed loan and associated expenses) if made by preauthorized or automatic transfer, by telephone or fax, or via PenFed Online ("PFOL"); transfers or withdrawals to a third party if made by preauthorized or automatic transfers, by telephone or fax, or via PFOL; or transfers to a third party if made by check, draft, debit card or similar order made by me and payable to a third party. If I exceed these limitations my account will be subject to an excessive transaction fee and may be closed.

In the following sections, the words "you," "your," and "yours" mean each person signing the membership application/signature card, including anyone who has access to the account. "We," "us," "our," and "ours" refer to PenFed.

#### ELECTRONIC FUND TRANSFER DISCLOSURE

This is an official disclosure which is required by the Electronic Fund Transfer Act to be given to members who may have an electronic fund transfer (EFT) transaction affecting their accounts. The disclosure covers the basic rights, liabilities and responsibilities of consumers who use electronic money transfer services and of financial institutions that offer these services.

This section covers all of the EFT services PenFed currently offers. Therefore, some provisions may not currently be applicable to you. Please read and retain this disclosure; it provides the procedures to be followed if you have an error or problem regarding your EFT services.

#### YOUR LIABILITY UNDER THE ELECTRONIC FUND TRANSFER ACT FOR UNAUTHORIZED ACCESS TO YOUR SHARE ACCOUNTS

Contact PenFed at once if you believe your Debit Card or ATM Card or Personal Identification Number (PIN) has been lost or stolen, 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 reducing your possible losses. You could lose all the money in your account(s) (plus your maximum overdraft line of credit). If you believe your card or PIN has been lost or stolen, and you tell us within two (2) business days after you learn of the loss or theft, you can lose no more than \$50 if someone uses your card or PIN 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 or PIN, and we can prove we could have stopped someone from using your card or PIN without your permission if you had told us, you could lose as much as \$500.

If your statement shows electronic fund transfers that you did not make, contact us immediately. If you do not contact us

within 60 days after the statement or statement notification was delivered to you, you will not get back the money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had contacted us in time.

For certain transactions involving the use of the card without the use of your PIN you may have no liability for unauthorized transfers. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

#### ADDRESS AND TELEPHONE NUMBER FOR NOTIFYING PENFED

If you believe your card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission or, if you believe a transfer has been made using the information from your check without your permission, call us immediately, from anywhere in the U.S. and Guam at **800-247-5626**. For a lost or stolen Debit Card only call **800-556-5678** or **402-399-3600** (collect from overseas). Or write:

PenFed Credit Union  
Attention: Card Services  
Box 456  
Alexandria, VA 22313

#### BUSINESS DAYS

Our business days are Monday through Friday, excluding federal holidays.

#### TYPES OF TRANSFERS AVAILABLE AND LIMITS ON TRANSFERS:

##### **Debit Card Transfers Available and Limits on Transfers:**

*You may be able to use your Debit Card to:*

1. Withdraw cash from a checking or Regular Share account
2. Deposit funds to a checking or Regular Share account at PenFed Credit Union ATMs or other ATMs that have agreed to accept deposits from PenFed Credit Union members
3. Transfer funds between a checking and Regular Share account
4. Determine the balance in a checking or Regular Share account
5. Make Point of Sale transactions with and without a PIN at merchants who accept Visa

You may use your Debit Card for up to \$1000.00 in ATM withdrawals, and up to \$2500.00 for point of sale transactions – aggregate \$2500.00 each calendar day (based on Eastern Time).

##### **Debit Card Limitations:**

*You may not use your Debit Card to:*

1. Access a Premium Online Savings Account
2. Make contributions to or receive distributions from an Individual Retirement Account
3. Request a stop payment on a Point of Sale transaction
4. Determine the balance, conduct payments or cash

advances on a Thrifty Credit Service, Personal Line of Credit or Overdraft Line of Credit account

**ATM Card Transfers Available and Limits on Transfers:**

*You may be able to use your ATM Card to:*

1. Withdraw cash from a Regular Share account
2. Deposit funds to a Regular Share account at PenFed Credit Union ATMs or other ATMs that have agreed to accept deposits from PenFed Credit Union members
3. Determine the balance in a Regular Share account

You may use your ATM card for up to \$1000.00 in ATM withdrawals each calendar day (based on Eastern Time).

**ATM Card Limitations:**

*You may not use your ATM Card to:*

1. Make Point of Sale transactions
2. Access a Premium Online Savings Account
3. Make contributions to or receive distributions from an Individual Retirement Account
4. Determine the balance, conduct payments or cash advances on a Thrifty Credit Service, Personal Line of Credit or Overdraft Line of Credit account

**ATM LIMITS:**

You may use your Debit Card/ATM Card for up to \$1000 for ATM withdrawals and up to \$2500 for point of sale transactions—aggregate \$2500, each calendar day. You may use your ATM Ltd., Card for up to \$500 for ATM withdrawals and up to \$1000 for point of sale transactions—aggregate \$1000, each calendar day. These limits may not be available at all times. The amount may be lower for withdrawals performed against new accounts at ATMs in some foreign countries if you are using a Debit Card.

**SECURITY CODE ACCESS:**

You may use your security code to access Telephone Teller, online banking, or our Bill Pay systems in order to:

1. Withdraw funds from your Regular Share or Premium Online Savings account to be mailed to your current address.
2. Transfer funds between your Regular Share account, Premium Online Savings account, checking account, or MMSA.
3. Transfer funds from your Regular Share account, Premium Online Savings account, checking account, or MMSA to make loan payments, excluding payments on Guaranteed Student Loans or Mortgage Loans.
4. Bill Pay only: make payments from your checking account to third parties.
5. Transfer funds between your PenFed Regular Share account, Premium Online Savings account, checking account, or MMSA and your non-PenFed Accounts by ACH transfer service.

**LIMITATIONS ON THE USE OF TELEPHONE TELLER AND ONLINE BANKING:**

1. Your Regular Share or Premium Online Savings account is limited to six (6) transfers per statement cycle to transfer funds to other share accounts. This limitation includes such transfers initiated by means of a telephone request to an PenFed employee.
2. Requests for withdrawals from Regular Share or Premium Online Savings account received after 2:00 p.m. Eastern Time will be mailed the following business day.
3. Daily limitations may apply to the amount of funds which may be withdrawn from your Regular Share or Premium Online Savings account.
4. Your MMSA is limited to no more than six (6) withdrawals or transfers per statement cycle. ATM transactions are not included in the six transaction limitation.
5. Contributions to or distributions from your IRA are not permitted.

#### LIMITATIONS ON THE USE OF ACH SERVICES:

Prior to opening a new account, PenFed will obtain a credit report from a consumer reporting agency. If this report indicates adverse credit history, ACH transfer services will not be permitted. Only Direct Deposit service will be available

#### ACH LIMITATIONS AND AVAILABILITY FOR DEPOSITS AND PAYMENTS INITIATED AT PENFED:

For security reasons, limitations are placed on the number of and dollar amount of ACH deposits or payments you make. This includes ACH transfers made to your PenFed account or to your account at another financial institution. For information concerning the frequency and dollar amount limitations, contact us at 800-247-5626. If your membership has been open 6 months or more, the maximum you are allowed to transfer to your PenFed account is \$5,000 per day. If your membership has been open 6 months or less, the maximum you are allowed to transfer to your PenFed account is \$50 per day.

In addition, if this is your first ACH deposit or payment or it's been more than 6 months since your last successful ACH deposit or payment, the deposit or payment you make will be credited to your account as of the date it is scheduled to transfer; however, the credit in the amount of the deposit or payment will not be available to you for 5 business days following the date of the transfer.

**PREMIUM ONLINE SAVINGS ACCOUNT ONLY:** Limitations are placed on the dollar amount and frequency of ACH deposits or payments you make. This includes ACH transfers made to your PenFed account or to your account at another financial institution. For ACH transactions initiated at PenFed, the maximum you are allowed to transfer to or from your Premium Online Savings account is \$10,000 per business day and \$50,000 per 30 calendar day period. In addition, all ACH deposits you make will be credited to your account as of the date it is scheduled to transfer; however, the credit in the amount of the deposit will not be available to you until the 6th business day following the date of transfer.

#### FEES FOR ATM OR PREAUTHORIZED TRANSFERS:

1. FEES FOR ATM. PenCheck Plus, PenCheck Net and Regular Share: PenFed Credit Union will charge you \$1.50 for each withdrawal or \$1.00 for each inquiry you make using an ATM not owned by PenFed Credit Union.

For all accounts, PenFed Credit Union will charge an international fee of up to 2% of the transaction amount at non-U.S. banks.

For transactions occurring at non-PenFed Credit Union ATMs, the ATM operator/owner may impose a fee for the use of their ATM.

2. PREAUTHORIZED TRANSFERS. Your account will be charged a fee for each pre-authorized withdrawal which is not paid because of nonsufficient funds or a fee for each pre-authorized withdrawal not paid because of uncollected funds. Updated Service Fees are available online at PenFed.org or by calling 800-247-5626.

ELECTRONIC CHECK CONVERSION:

1. You may authorize a merchant or other payee to make a one-time electronic payment (i.e., each check) from your PenFed checking account using information from your check to pay for purchases or to pay bills.
2. When you provide us a check, you authorize us either to use information from your check to make a one-time electronic funds transfer from your account or to process this transaction as a check. When we use your check to make an electronic funds transfer, funds may be withdrawn from your account as soon as the same day we receive your payment and you will not receive your check back from your financial institution.
3. If there are insufficient funds in your account, your account will be charged a returned payment fee.

AVAILABILITY OF FUNDS DEPOSITED AT AN ATM

All funds deposited in excess of \$500 at a PenFed ATM are subject to an initial one (1) business day hold pending verification of the deposit. Thereafter, the applicable hold for these items may apply. Deposits made after 3:00 p.m. Eastern Time are considered as made on the next business day.

**Non-PenFed ATMs:** All funds deposited in excess of \$500 are subject to a five (5) business day hold. Deposits made after 3:00 p.m. Eastern Time are considered as made on the next business day.

**ATM, Limited Cardholders (Limited accounts only):** Funds deposited to your Regular Share account are subject to a five (5) business day hold.

**PenFed Credit Union ATMs:** PenFed Credit Union ATMs are identified by the display of our name or logo.

**Deposit Anywhere:** Deposits (up to your approved limit) are available for immediate use—subject to PenFed's normal funds availability policy (see page 16).

DOCUMENTATION OF TRANSFERS

You will receive a receipt at the time you make any transfers to or from your account using an ATM.

#### PREAUTHORIZED CREDIT

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us to find out whether or not the deposit has been made. Or access your account 24 hours a day, seven days a week, at PenFed.org. Updated Service Fees are available online at PenFed.org or by calling 800-247-5626.

#### PROCEDURE FOR STOPPING PAYMENT OF PREAUTHORIZED TRANSFER

If you have told us in advance to make regular payments out of your Regular Share account, Premium Online Savings account, checking account, or MMSA, you can stop any of these payments. Here's how: telephone or write to us in time for us to receive your request at least three (3) business days before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. PenFed will charge you a fee for a stop payment. Updated Service Fees are available online at PenFed.org or by calling 800-247-5626.

#### LIABILITY FOR FAILURE TO STOP PAYMENT OF PREAUTHORIZED TRANSFER

If you order us to stop one of these payments at least three (3) business days before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

#### 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 will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your account to make the transfer.
2. If the transfer would go over the credit limit on your TCS, Personal Line of Credit, or Overdraft Line of Credit account.
3. If the ATM at which you are making the transfer does not have enough cash.
4. If the ATM/Telephone Teller System/online banking system was not working properly and you knew this when you started the transfer.
5. If circumstances beyond our control, such as fire or flood, prevent the transfer, despite reasonable precautions that we have taken.
6. If for security reasons we have temporarily limited the amount of cash available at an ATM.

There may be other exceptions stated in our agreement with you.

#### DISCLOSURE OF INFORMATION TO THIRD PARTIES

We will disclose information to third parties about your account or the transfers you make:

1. Where it is necessary for completing transfers;
2. To verify the existence and condition of your account for a third party, such as credit reporting agency or merchant;



or

3. To comply with government agency or court orders; or
4. If you give us your written permission.

#### ERROR RESOLUTION PROCEDURES

In case of errors or questions about your electronic transfers, telephone or write to us as soon as you can, using the phone numbers or address listed in the section, "Address and Telephone Number for Notifying PenFed Credit Union," on page 10. If you think your statement or receipt is wrong, or if you need more information about a transfer listed on the statement or receipt, contact us. We must hear from you no later than 60 days after we sent the FIRST statement or statement notification on which the problem or error appeared.

1. Tell us your name and account number.
2. Describe the error or the transfer you are unsure about, and clearly explain why you believe it is an error or why you need more information.
3. 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 inform you of the results of our investigation within ten (10) business days (up to 20 days for new accounts) after we hear from you and will correct the error promptly. If we need more time, however, we may take up to 45 days (90 days for new accounts and point of sale transactions and transactions which occurred outside the United States and its territories) to investigate your complaint or question. If we decide to do this, we will re-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 do not receive your complaint or question in writing within ten (10) business days, we may not re-credit your account.

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

#### SAFETY CONSIDERATIONS USING AN ATM

When using an ATM, please consider the following:

- Be aware of your surroundings.
- Consider having someone accompany you.
- Do not display cash in the vicinity of the ATM. When the transactions have been completed, count the cash in the safety of your vehicle or home.
- If you notice anything suspicious, use another ATM at a different location or come back later.
- If you notice anything suspicious while conducting a transaction, cancel the transaction and leave the area.
- Report any crime to the local law enforcement officials and the operators of the ATM.

- Be sure to always take your ATM receipt with you.

#### INTERNATIONAL WIRE TRANSFER ERROR RESOLUTION AND CANCELLATION DISCLOSURES

Error resolution and cancellation disclosures are available upon request if you send funds by wire transfer to a recipient account in a foreign country.

#### FUNDS AVAILABILITY DISCLOSURE

(Check Hold Policy)

#### WHAT YOU SHOULD KNOW ABOUT REGULATION CC

The Federal Reserve Board adopted Regulation CC which implements the Expedited Funds Availability Act. In general, the purpose of this law is to require financial institutions to make funds available to depositors within specific time frames.

The regulation also establishes requirements for the collection system between financial institutions to reduce the risk of loss that may be incurred because of returned negotiable instruments. For purposes of this disclosure the terms "negotiable instrument" or "item" means checks or drafts. Important to the collections systems is the ability of financial institutions to be able to read the first endorsement on the back of a negotiable instrument. To ensure this, the regulation sets standards for endorsing negotiable instruments.

All parties—you as the depositor, the depository institution (credit union, bank, or savings and loan where the item was deposited or cashed) and the paying institution (where you have your account)—are required to endorse negotiable instruments in specified areas. This will enable quick processing of all negotiable instruments and expedite the return of unpaid ones.

#### AVAILABILITY OF FUNDS

In the following pages are detailed sections that list (1) the types of negotiable instruments that require a hold, (2) the hold periods, and (3) the types of negotiable instruments that do not require a hold. The hold period is the number of business days that funds in your account (either from a deposited item or cashed item) are not available to you. PenFed will continue with its policy of "no hold" for many types of negotiable instruments you deposit, such as payroll checks, U.S. Treasury checks, and more (see page 18 for a complete list). Subject to specific account terms, negotiable instruments you deposit will continue to earn dividends, when applicable, beginning on the date you deposit funds for maximum earnings to you. The hold periods described in this section are PenFed's general hold policies and state the maximum hold periods that may be imposed; however, some members may receive faster availability of funds.

If a negotiable item you deposit requires a hold, \$200 of those funds will be immediately available to you to withdraw or to pay checks you have written. The remainder will have a two (2) business day hold.

#### AVAILABILITY OF FUNDS FOR PREMIUM ONLINE SAVINGS ACCOUNT ONLY:

The following special rules apply to all deposits made in to the Premium Online Savings account:

The following types of deposits will be available on the 6th business day after the date of the transaction:

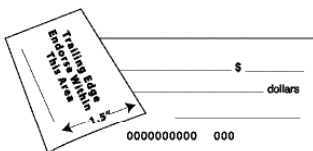
- All checks
- Internal transfers
- ACH deposits (when originated at PenFed)

The following types of deposits will be available immediately:

- Preauthorized credits, such as social security benefits, civil service pensions, active and retired military allotments, and other payroll payments
- Cash
- Wire Transfers (received by 4:30 PM EST)

#### ENDORSEMENTS

When you deposit a negotiable instrument to your account, you as the payee of the item are required to endorse it. (Negotiable instruments made payable to PenFed will be endorsed by PenFed.) To ensure that the financial institutions have adequate space for processing, the endorsement should always be made within 1.5 inches from the trailing edge. Please refer to the illustration on the next page to help you properly endorse your check.



Any check to be deposited into an account must be endorsed exactly as written on the payee line. Checks payable to multiple payees may only be deposited into an account with the same individuals listed as joint owners.

#### YOUR ABILITY TO WITHDRAW FUNDS AT PENFED

PenFed's policy concerning the availability of money you deposit in your account in part depends on the form in which the funds were received. As more specifically described in this disclosure, in some instances you are entitled to immediate availability of the funds; in other cases your ability to have access to the funds may be delayed. During the delay, you may not withdraw the funds in cash, and we will not use the funds to pay checks that you have written.

#### DETERMINING THE AVAILABILITY OF A NEGOTIABLE INSTRUMENT

The length of the delay is counted in business days from the day you deposit funds. Every day is a business day except Saturday, Sunday, and federal holidays. If you deposit items at a cash branch office during normal teller hours, we will consider that day to be the day you deposited funds. However, if you deposit items after the branch has closed, or on a Saturday or on a day we are not open, we will consider that you deposited funds on the next business day we are

open. The length of the delay varies depending on the type of item you deposited and is explained on the next page.

#### IMMEDIATE AVAILABILITY

NOTE: SPECIAL RULES ON AVAILABILITY OF FUNDS APPLY TO THE PREMIUM ONLINE SAVINGS ACCOUNT. PLEASE SEE THE SECTION ON FUNDS AVAILABILITY FOR PREMIUM ONLINE SAVINGS ACCOUNT FOR MORE INFORMATION.

Funds from the following are available immediately:

- U.S. Treasury checks that are payable to you.
- Preauthorized credits, such as social security benefits, civil service pensions, active and retired military allotments, and other payroll payments.
- Wire Transfers received by 4:30 p.m. Eastern Time; if received after 4:30 p.m. Eastern Time, funds are available the next day.
- Check/drafts drawn on PenFed.
- Cash.
- State and local government checks that are payable to you.
- Cashiers', certified, and tellers' checks payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders that are payable to you.
- Travelers checks.
- Payroll checks, and credit union checks payable to you.
- Mortgage company or attorneys' checks from home settlement accounts.
- Personal checks totaling \$200 or less.
- Non-personal checks totaling \$500 or less.

If you do not deposit funds in person to one of our employees and deposit funds after the posted hours at a branch drop box, those funds will be posted the next business day. Funds received by mail are posted on the business day received by PenFed.

#### OTHER NEGOTIABLE INSTRUMENTS

NOTE: SPECIAL RULES ON AVAILABILITY OF FUNDS APPLY TO THE PREMIUM ONLINE SAVINGS ACCOUNT. PLEASE SEE THE SECTION ON FUNDS AVAILABILITY FOR PREMIUM ONLINE SAVINGS ACCOUNT FOR MORE INFORMATION.

The first \$200 of your deposit will be available immediately. The remaining funds will be available on the second business day after the day you deposited funds. For example, if you deposit an item of \$700 on Monday, \$200 of the funds is available on Monday. The remaining \$500 is available on Wednesday.

#### MEMBER LEVEL HOLD POLICY

NOTE: SPECIAL RULES ON AVAILABILITY OF FUNDS APPLY TO THE PREMIUM ONLINE SAVINGS ACCOUNT. PLEASE SEE THE SECTION ON FUNDS AVAILABILITY FOR PREMIUM ONLINE SAVINGS ACCOUNT FOR MORE INFORMATION.

The following hold policy shall apply to members who meet the criteria as stated below.

No hold on any check deposit of \$3,000 or less; for a check deposit over \$3,000 the first \$3,000 will not have a hold and the remaining amount will be subject to our normal hold policies.

Members meeting all of the following criteria will qualify for the above hold policy:

- An account in an active status;
- No regular share account with a negative balance;
- A member for at least 180 days;
- No loans in delinquent, bankrupt, or charge-off status; and
- No restraints or other adverse activity on your accounts.

LONGER DELAYS MAY APPLY

In some cases, funds from certain negotiable instruments may not be available for a longer period under the following circumstances:

- If we believe an item you deposit will not be paid.
- If we re-deposit a check that has been returned unpaid.
- There is an emergency, such as failure of communications or computer equipment.
- A suspension of payments by another financial institution.

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 you deposited the funds.

PenFed reserves the right to not accept instruments for the following reasons: stale dated (more than 6 months old); post dated; third party instruments; improperly endorsed; or any instrument we deem not acceptable under customary banking practices.

SPECIAL RULES FOR NEW ACCOUNTS

Prior to opening a new account, PenFed will obtain a credit report from a consumer reporting agency. If this report indicates adverse credit history, we may not permit you to open an Access America Checking account, Money Market Savings account, Premium Online Savings account, or obtain a Check Card or ATM Card. Additionally, deposits to your Regular Share account or Money Market Certificates will be subject to a five (5) day hold. ACH transfer services will not be permitted. Only Direct Deposit service will be available.

**If you are a new member, the following special rules will apply to the opening share purchase to your account.**

An opening share purchase consisting of any item listed under the “Immediate Availability” section on page 18 is available immediately. However, funds from any item that you deposit will be available on the fifth business day after the day you opened your account. In this case (opening share purchase for new account) \$200 will not be made immediately available. Subsequent funds you deposit will be

subject to our normal hold policy as stated in this disclosure.

#### HOLDS ON OTHER FUNDS (CHECK CASHING)

If we cash an item for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount, less \$200 of funds that are already in another account. Those funds will be available at the time funds from the item we cashed would have been available if you had deposited it. For example, if we cash a \$300 item for you, \$200 of funds already in your account will not be available until the second business day after the day we cashed the check; \$100 would be available immediately.

#### HOLDS ON OTHER FUNDS (OTHER ACCOUNTS)

If you deposit a negotiable instrument that is drawn on another financial institution, we may make those funds available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have in another account with us. The funds in the other account would not be available for withdrawal until the hold period (as described elsewhere in this disclosure) for the type of negotiable instrument that you deposited has expired.

**LIMITED CHECKING ACCOUNTS ONLY:** Funds may be deposited only into your Regular Share account and are subject to a five (5) business day hold.

**MOBILE APPLICATION:** Please see PenFed's Mobile Deposit User Agreement for funds availability information.

**DEPOSIT ANYWHERE:** Deposits are subject to PenFed's normal funds availability policy.

**PenFed ATMs:** All funds deposited in excess of \$500 at a PenFed ATM are subject to an initial one (1) business day hold pending verification of the deposit. Thereafter, the applicable hold for items may apply. Deposits made after 3:00 p.m. Eastern Time are considered as made on the next business day.

**Non-PenFed ATMs:** All funds deposited in excess of \$500 are subject to a five (5) business day hold. Deposits made after 3:00 p.m. Eastern Time are considered as made on the next business day.

#### NOTICE FOR CALIFORNIA RESIDENTS

California Unclaimed Property law requires that financial institutions transfer funds of a deposit, account, shares or other interest to the state if it has been inactive for 3 years.

## AGREEMENTS

### MEMBERSHIP, CHECKING, AND MONEY MARKET SAVINGS ACCOUNT (MMSA)

#### MEMBERSHIP AGREEMENT

The words "I", "me", "my", "myself" mean each person signing the membership application/signature card including anyone who has access to the account(s).

1. I understand that this account shall be governed by the Code of Virginia, federal laws, National Credit Union Administration (NCUA) Rules and Regulations and the bylaws and policies and procedures of the Credit Union and any amendments thereto. This account shall be subject to other terms and conditions which are subject to change upon notice to me.
2. I agree that PenFed has the right pursuant to its statutory lien and further, I give my express consent to enable PenFed to charge against any balance in any of my PenFed accounts, including accounts on which I am a joint owner, to include any otherwise statutorily protected funds that may not otherwise be available by legal process, to liquidate any PenFed indebtedness, owed by me or any person who is listed as a joint owner on my accounts with PenFed, including a deceased joint owner. This provision does not include my IRA account or any other account for which this provision is not permitted under Internal Revenue Code. PenFed may take such action without further notice to me or any joint owner. In regard to those funds that have a statutory protection I understand that I may withdraw my express consent for PenFed to apply such funds to pay any such indebtedness by notifying PenFed in writing. If my consent is withdrawn, PenFed may in its sole discretion terminate any and all services that I have with the credit union.
3. I expressly authorize PenFed to procure upon its request from any person, partnership, credit reporting agency, association, firm, or corporation a credit report and for such person to furnish PenFed with said credit report concerning any financial service I may request or obtain from PenFed as well as any subsequent re-evaluation of any such financial service.
4. If I have caused PenFed to incur any loss due to my activities, or if any account at PenFed is maintained by me in a manner that PenFed, in its sole discretion, deems contrary to sound financial practice, I agree that PenFed may terminate all accounts or services which I may receive from PenFed with the exception of my Regular Share account.
5. I understand that if all my shares in PenFed are withdrawn, my membership in PenFed may be terminated. Funds in my accounts will be subject to collection through normal banking channels and PenFed's hold policy.
6. I agree that my share accounts are not transferable except on the records of PenFed.
7. I agree that payment of money in the account on the written instructions of any authorized person excuses

PenFed of any further legal obligation regarding the proceeds of the transaction. I agree to indemnify and hold PenFed harmless from any suits or liability, directly or indirectly, resulting from the handling of the account consistent with the written instructions of any authorized person. PenFed may refuse to honor my instruction if it is unclear or the signature appears not to be authentic.

8. Any financial service provided by PenFed may be used for any transaction permitted by law. I agree that illegal use of any financial service will be deemed an action of default and/or breach of contract and such service and/or other related services may be terminated in PenFed's discretion. I further agree, should illegal use occur, to waive any right to sue PenFed for such illegal use or any activity directly or indirectly related to it and additionally I agree to indemnify and hold PenFed harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use.

#### JOINT SHARE ACCOUNT AGREEMENT

If any of my accounts, either now or in the future are established as a joint account, PenFed is authorized to recognize any one of the joint owner signatures for the payment of funds or for any transaction for this account. The joint owners of this account agree with each other and with PenFed that all funds deposited into the account shall be owned jointly by all joint owners. The funds on deposit will be subject to the withdrawal or receipt of any joint owner. In the event of death of an owner and according to the type of joint share account selected, withdrawal or payment may also be made to the survivor(s) or the estate(s) of the deceased owner(s). Each joint owner will discharge PenFed from any liability for the payment or withdrawal.

A joint owner who is a PenFed member may pledge all or part of the shares in this account as collateral security for a loan or loans, and PenFed is authorized to charge at any time against this account any indebtedness owing to it by any of the joint owners.

**Please note: Joint ownership does not constitute membership.**

This account shall be governed by the Code of Virginia, Federal Laws, Rules and Regulations and the Bylaws of PenFed and any amendments thereto.

#### CHECKING ACCOUNT AND/OR MONEY MARKET SAVINGS ACCOUNT AGREEMENT

The words "I", "me", "my", "myself" mean each person signing the application for a Checking account and/or Money Market Savings account (MMSA). I authorize Pentagon Federal Credit Union (PenFed) to establish a Checking account or MMSA (hereinafter referred to as "account") in my name, to pay checks signed by me, and to charge all such payments against the shares in my account and I agree to be bound by the terms and conditions herein, now in effect, and as may be amended by PenFed from time to time. I also agree that:

1. Only check blanks and other methods authorized by PenFed now and in the future may be used to withdraw



funds from the account. If so authorized by PenFed, the use by me of a personal identification number for such purpose shall constitute my signature. If I voluntarily give information about my account (such as the PenFed routing number or my account number) to a person who is seeking to sell me goods or services, and I do not physically deliver a check or other authorized negotiable instrument drawn on my account to that person, any debit to my account initiated by the person to whom I gave the information is deemed to have been authorized by me.

2. I understand that PenFed may pay checks, drafts, other negotiable instruments, or any other debit transactions drawn against my account in any order it chooses. I also understand that PenFed does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight review, or provide for sight review for items above a certain amount or on a sample basis, in its sole discretion. PenFed reserves the right not to sight review drawer signatures because it pays items on an automated basis in order to reduce costs for all members. PenFed is not obligated to pay a check which exceeds the amount of the collected balance in this account. If on any day the available funds in my account are not sufficient to cover the checks and other debit items posted to my account, those checks and items will be handled in accordance with PenFed's normal non-sufficient funds policies and procedures. At PenFed's sole discretion, each check or debit item will either be paid, thereby bringing my account to a negative status, or the item will be returned unpaid. My account will be subject to the normal non-sufficient funds and returned-item charges then in effect. In the event this account is jointly held, each owner is liable to and will indemnify PenFed for each such check or debit item. In the event of a negative balance, PenFed, in its sole discretion, may transfer funds from any other share account I hold to pay the negative amount of funds.
3. PenFed has the right to charge against any balance in this account any indebtedness owed by any person whose signature appears on the attached application.
4. Paid checks become PenFed's property and will not be returned to me. Copies may be provided, if requested, for a nominal fee for each item.
5. Should PenFed decline to pay any check, or if I instruct PenFed not to pay a check, PenFed shall not be liable, except for gross negligence, for any action it takes regarding payment or non-payment of a check. I will not date any check later than the date that I write it. If I do and the check is presented for payment before its date, PenFed, in its sole discretion, may return it unpaid, or pay it. If PenFed pays it, PenFed will charge my account. PenFed may, in its sole discretion, pay a check which has a date more than six months old.
6. Funds, checks, drafts, negotiable instruments or any other items received in or credited to this account will be subject to collection through normal banking channels and PenFed's hold policy. PenFed may debit my account for any item returned by electronic or any other means at any time, regardless of whether it is timely returned. If

PenFed debits my account to cover such a returned item, I understand my account may become negative in which case, returned item fees may be charged to my account and PenFed may transfer funds from any other account I hold to pay the negative amount of funds. PenFed may disregard all information on an item other than the identity of the drawee financial institution, the amount of the item, and any other information encoded onto the item in magnetic ink according to general banking standards, whether or not that information is consistent with other information on the item.

7. Periodic statements will be sent by PenFed to me at the last address or in accordance with the last instructions I have given in writing. I agree to keep PenFed informed of my current address. I will carefully review the statement. Any objection which I may have regarding an item or any unauthorized debit or transaction shown on a periodic statement of this account shall be waived unless it is made orally or in writing to PenFed before the expiration of 60 days after the statement has been mailed or transmitted. If the objection is made orally, PenFed may also require me to provide it in writing within ten (10) business days.
8. This account shall also be subject to PenFed's Membership Disclosures and such other terms, conditions, charges, and assessments as applicable and as PenFed may establish and amend from time to time. Any terms, conditions, assessments, or charge referred to in this Agreement may be changed at any time upon seven days' written notice mailed or transmitted to my mailing or other address of record. PenFed shall have the right to terminate this agreement without notice and without my consent if an unreasonable number of checks are returned because of insufficient or uncollected funds within any specified period, or if any account at PenFed is maintained by me in a manner that PenFed, in its sole discretion, deems contrary to sound financial practices. Any fees or charges mentioned herein may be determined by referring to PenFed's fee schedule. Copies are available by mail, at any branch office, or at PenFed.org.
9. In the event that this account is closed during a dividend period, PenFed shall pay to me any dividends earned as of the day of closing the account.
10. If this is a jointly owned account (indicated by the signatures of two or more persons on the Signature Card) PenFed is authorized to recognize any of these signatures for the payment of funds or the making of transactions of any type, including the use of a TCS or Overdraft Line of Credit account for overdraft authority for Checking accounts even though one of the signatories may not have been previously authorized to access the credit limit of the TCS or Overdraft Line of Credit account providing overdraft protection to this account. I also agree that each joint owner of the account may withdraw any or all funds from the account, close the account, enter into special agreements with PenFed regarding the account, and stop payment on any check drawn on the account, including a check drawn by another joint owner. Each joint owner guarantees the signatures of the other joint owners and

authorizes the others to endorse checks for deposit if they are payable to any of the joint owners. Each joint owner also authorizes PenFed to exercise its statutory lien and enforce its security interest in the entire joint account, even though only one of the joint owners is the debtor. These rights apply irrespective of who contributed funds to the joint account. PenFed may enforce overdraft liability in the joint account against any joint owner individually.

11. Applicable to Checking accounts only:
  - a. If I have an active Thrifty Credit Service® (TCS) or Overdraft Line of Credit (OLOC) account now or in the future, and I also maintain a Checking account, I may have overdraft protection on that account I have designated, unless this feature is declined by me. If I have a TCS or OLOC account with PenFed and have been granted overdraft protection, PenFed may, in its sole discretion, pay a check which exceeds the collected balance in my Checking account provided I have sufficient unused credit available in my TCS or OLOC account. By having overdraft protection, I agree that the presentment of a check that exceeds the balance in my Checking account shall constitute a request for payment of the check subject to my TCS or OLOC agreement which is incorporated herein by reference. Transfers made under my TCS or OLOC agreement shall be in the amount of the actual overdraft amount up to my credit limit for any checks that exceed the Checking account balance. Should a check exceed this balance and be for an amount larger than the available TCS or OLOC account credit, PenFed's normal overdraft policy and procedures will be followed. PenFed may, at its option, and without increasing my authorized TCS or OLOC account limit, elect to pay the full amount of the check and treat such action as an additional loan, subject to repayment under the terms of my TCS or OLOC agreement.
  - b. If I have access to ATM service, I understand and agree that a Checking account will be accessible by any Debit Card or ATM Card issued under my account.
12. Applicable to MMSA only: PenFed reserves the right to require at least seven days' notice prior to withdrawal or transfer of funds from this account. No more than six withdrawals or transfers of any type may be made during the monthly dividend cycle excluding ATM transactions. I agree that if I violate this rule, PenFed, in its sole discretion, shall have the right to refuse to honor a transaction and/or terminate this agreement without notice and/or to impose penalty fees.
13. If I am the sole owner of this account, I agree that the entire balance upon my death will be distributed to my designated beneficiaries (not applicable to account titled as Revocable Living Trust). Upon the death of any joint owner, with the right of survivorship, the funds in the account belong to the surviving owner(s). Upon the death of any joint owner without survivorship, PenFed

may, upon request, pay any funds in the account to any surviving joint owner(s), or to the representative or heirs of the deceased owner. Ownership of the funds will be determined between these parties.

14. This account shall be governed by the laws of the Commonwealth of Virginia and the Uniform Commercial Code.

#### DEBIT CARD/ATM CARD/ATM, LTD. CARD AGREEMENT

**Any person who accepts, signs, uses, or otherwise causes the use of the card or its account number or personal identification number (PIN) agrees to all the terms and conditions in this PenFed Credit Union card agreement and disclosures, and as they may be amended.**

#### GENERAL PROVISIONS

The following provisions apply to the Pentagon Federal Credit Union (PenFed) member and any person designated by the member to receive a debit card, ATM card, or ATM, Ltd. card (hereinafter card). The term “I” and “my” refers to the member and “we” refers to the member and each cardholder.

Each person receiving or using the card consents to all provisions of the Debit Card/ATM/ATM, Ltd. Card Agreement (Agreement). We understand only the member may designate who may receive a card associated with the member’s accounts.

#### PENFED MEMBER PROVISIONS

I understand and agree:

**Any person receiving a card and a Personal Identification Number (PIN) will have access to all of my share accounts (checking, money market savings, and regular share), installment loans, and Personal Line of Credit accounts as applicable (hereinafter accounts), even though such person may not be a joint owner or joint borrower.**

The member shall provide each person receiving a card a copy of this Agreement and any amendments to it;

Use of the card and PIN will allow each cardholder to transact business on PenFed’s Automated Teller Machines (ATM) or other PenFed designated ATMs.

Use of the Debit card (with or without a PIN) will permit the cardholder to transact at eligible point of sale terminals or locations. ATM cards cannot be used at point of sale terminals.

I ratify all transactions initiated by any cardholder and indemnify and hold PenFed harmless from such use.

I appoint those individuals I have authorized on the signature card or by other method permitted by PenFed to receive a card or anyone else I authorize to use the card, as my agent authorized to access my accounts even though such persons are not a joint owner or joint borrower.

The use of the card and/or PIN and all transactions related to such use are subject to all of the terms and provisions of present or future share and loan account agreements as

well as all other PenFed policies, all of which are subject to modification. Said policies, terms and provisions are incorporated into this Agreement by reference. In case of a conflict between this Agreement and other agreements or policies in matters pertaining to use of the card, the terms and conditions of this Agreement shall apply. We agree that PenFed shall have the right to establish additional terms and conditions for use of the card, all of which shall be binding upon any cardholder following written notice provided to the member, mailed to the last known address of the member.

We shall be liable with respect to all authorized and unauthorized transactions in accordance with this Agreement and applicable laws and regulations.

Purchases or withdrawals made in foreign countries and foreign currencies will be debited in U.S. dollars. The exchange rate for international transactions will be a rate selected by Visa from the range of rates available in wholesale currency markets, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date, plus a fee of up to 2% of the transaction amount. If the purchase or withdrawal is initiated without the use of the PIN, the applicable Visa rate will apply. The applicable ATM network rate will apply for ATM transactions.

PenFed is authorized to obtain information, including a credit report, concerning persons receiving a card, as deemed necessary in its sole discretion, to evaluate the eligibility and for review of continued eligibility for a card.

We agree to make a good-faith effort to resolve disputes regarding goods or services obtained from the merchant. We further agree, that PenFed shall not be liable for any claims we have against a merchant arising from use of the card for point of sale transactions.

This Agreement, and all related matters, shall be governed by and interpreted in accordance with the laws of the United States and the Commonwealth of Virginia.

I agree to abide by the terms, conditions, and liabilities set forth in the Electronic Fund Transfers Disclosure.

#### CARDHOLDER PROVISIONS

The following provisions apply to each person receiving or using the card and/or a PIN, including the member:

We agree the issuance of a card and/or PIN is solely for our individual use. We agree the card and/or PIN will not be divulged, given, or made available to any other person under any circumstance.

We understand and recognize the use of the card is governed by this Agreement and any amendments to it.

We understand the member may revoke any cardholder's privilege to have access to the member's accounts using the card by notifying PenFed. Further, PenFed has no obligation to inform the cardholder that access has been terminated.

We understand the termination of the card, whether at my request or by PenFed, will terminate my PIN. The member

may request a new PIN be assigned by calling 877-856-9690. Any cardholder may cancel the card by calling PenFed at 800-247-5626.

We waive any right to stop payment on point-of-sale authorizations originated by use of the card and/or the PIN.

A withdrawal or authorized point-of-sale transaction will be paid, even if it overdraws my account or exceeds the OLOC or TCS credit limit, if applicable. The order of posting debits, charges, deposits or credits to any account shall be established at PenFed's sole discretion and is subject to change.

We agree to immediately report to PenFed the loss or theft of the card and/or PIN or unauthorized transactions that have occurred.

We understand and agree PenFed is not responsible for the refusal by merchant or financial institution to honor the card.

We agree all point-of-sale adjustments may be made by credit to my accounts by a properly executed credit voucher issued by the appropriate merchant.

We agree the card is the property of PenFed and we will surrender it to PenFed upon request at any time and for any reason. We understand the card can be impounded automatically at the ATM or by a merchant. We further agree PenFed shall have no liability should a card be seized due to malfunction or failure of equipment or computer programs, or for security purposes. We understand PenFed may revoke the use of the card and/or PIN if any of the member's accounts related to the card's use are maintained in a manner that, in PenFed's sole discretion, it deems contrary to sound financial practices.

We agree illegal use of the card will be deemed an action of default and/or breach of contract and the card and other related services may be terminated at PenFed's discretion. We further agree, should illegal use occur, to waive any right to sue PenFed for such illegal use or activity directly or indirectly related to it, and additionally we agree to indemnify and hold PenFed harm-less from suits or other legal action or liability, directly or indirectly, resulting from such illegal use.





BOX 1432, ALEXANDRIA, VA 22313-2032

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FORM 794 (04/2019)