



MEMBERSHIP ACCOUNT DISCLOSURE

Your Redwood Credit Union Member Handbook

1. INTRODUCTION

Thank you for joining Redwood Credit Union (“Credit Union,” “RCU”). RCU has been helping people in our local communities achieve their financial goals and dreams since 1950. We are a full-service financial institution focused on people, not profit, which means that we exist to serve the best interests of our Members and communities. We are a cooperative, which means that as a Member, you are also an owner of RCU.

This disclosure outlines your rights and obligations as a Member-Owner and contains the agreement that governs your membership at RCU. By signing a Membership Application, you agree to the terms in this disclosure that apply to any RCU services you select. We may disclose additional terms to you whenever you open a new account or take a new loan, in periodic statements, and in our RCU newsletter.

RCU offers both consumer and mortgage loans, which are subject to separate written agreements. Your general obligations as a Credit Union Member, as explained in this disclosure, apply to all agreements you make with RCU.

Not all terms detailed in this disclosure apply to every account. Qualified accounts including individual retirement accounts (IRA) and health savings Accounts (HSA) have terms specific to those account types. Please refer to the sections and disclosures that apply to the types of accounts that you have with RCU.

RCU may change the terms of your contracts with us by sending you written notice or addendum where required by law. Please keep this disclosure and any such notice or addendum with your permanent records.

2. GENERAL MEMBER AGREEMENTS

A. Terminology

In this disclosure, “you” and “your” refer to the RCU Member and any joint Member of an account. “Member” refers to the person who signs a Membership Application in that capacity. “We,” “us,” and “our” refer to RCU. “Board” refers to RCU’s Board of Directors. The singular implies the plural when an account has more than one Member.

B. Membership Requirements and Eligibility for Services

To become an RCU Member, you must be within our field of membership, meet Member identification requirements, satisfy any applicable membership fees and/or account opening minimums, and complete a Membership Application. For situations in which two or more persons wish to maintain one joint account rather than maintaining separate accounts, all parties need to qualify for membership and satisfy our requirements with respect to depositing funds. Joint Members automatically have the same privileges and responsibilities as primary Members. Minors may become Members of RCU. Minors must have a responsible adult act as joint Member or borrower for all RCU services.

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As a member of RCU, you may apply for any of our products and services. All services are subject to approval. You authorize RCU to obtain consumer reports in connection with your credit and business transactions, including but not limited to applying for membership, the opening of a savings or checking account, or the issuance of an ATM card, debit card, or other service provided by RCU, and you authorize any person, association, or corporation to furnish on RCU's request, information concerning your affairs. You also authorize the Credit Union to furnish information concerning the account to consumer reporting agencies. If we deny your request based upon information we receive from one or more third parties, we will provide any notice required by law.

Once you become a Member, you are always a Member as long as you continue to fulfill your membership obligations, even if you move, change jobs, or retire.

Par value of an RCU savings account is \$.50 per share. Ten shares per Member, totaling five dollars (\$5.00), deposited into a regular share account are required to fulfill par value requirements. Our field of membership includes the following:

- Individuals who regularly live, work, or worship in the California counties of Sonoma, Marin, Mendocino, Lake, San Francisco, Napa, Solano or Contra Costa.
- Businesses, corporations, or other legal entities located in the California counties of Sonoma, Marin, Mendocino, Lake, San Francisco, Napa, Solano, or Contra Costa.
- Immediate family members of existing RCU Members. "Immediate family members" are defined as husband, wife, children and their spouses, grandchildren, parent, grandparents, brothers, and sisters.
- Individuals sharing the same physical address as an existing Member.

C. Personal Accounts and Business Accounts

A personal account is designed to be used for personal, family, or household purposes only. You may not use your personal account for business purposes. Business Members may open business accounts to be used for business purposes.

D. Meeting Your Obligations

RCU strives to offer all Members the highest possible returns on savings and the lowest rates on loans, taking market conditions, safety and soundness concerns, and business needs into account. To make this possible, all Members must meet their obligations to RCU in a timely manner.

You agree to comply with the terms and conditions governing RCU services you request.

You agree to be honest with RCU about your financial circumstances. You agree you will not omit any material information from membership or loan applications. You agree you will not request credit or use credit cards or lines of credit if you have reason to believe you will not be able to make the required payments.

You will not allow your RCU accounts to fall below a zero balance. If you inadvertently overdraw any account, and you do not have a prearranged and available source of overdraft protection, you agree to immediately restore any overdraft upon our written demand. You may not close an overdrawn account until the account is restored to a positive balance. If you do not promptly restore the overdraft, you



agree that our Right of Offset (see below) applies. If we cannot recover the amount under our Right of Offset, you agree that our right to recover collection costs, including reasonable attorney fees, applies.

You agree you are responsible for all items deposited or cashed through your accounts that are returned unpaid for any reason. If we have made funds available to you for an item that is returned unpaid, you agree that upon our demand, you will immediately restore the amount of the returned item to your account. If you do not do so, you agree that our Right of Offset applies. If we cannot recover the amount under our Right of Offset, you agree that our right to recover collection costs, including reasonable attorney fees, applies.

If you do not meet your obligations to us, we may submit negative reports to consumer reporting agencies that report account abuses. These reports may have an adverse effect on your credit standing. Additionally, we reserve the right to expel you from RCU, close your account(s), or, alternatively, deny all services except the right to maintain a regular savings account and to vote, and, if appropriate, restrict your access to RCU premises, if any of the following occur:

- You cause RCU a loss in any way (including but not limited to a loan charge-off, account overdrafts, or bankruptcy).
- You manipulate or misuse any RCU product or service. This includes use of any product or service, including personal accounts, to service a business(es) or entity(ies) involved in activities prohibited by RCU, or to perform transactions prohibited by RCU or by applicable law.
- You fail to conduct your business with RCU in a civil and businesslike way. Violence, threats of violence, or verbal or physical harassment or abuse, or disruptive behavior directed at RCU staff, volunteers or other Members will not be tolerated.
- You provide RCU with false or misleading information in connection with any transaction or credit union product or service.
- You fail to meet your obligations to RCU.
- You fail to comply with applicable law and/or RCU's bylaws and rules as amended from time to time.
- You are convicted of a crime in connection with business you conduct with RCU.
- A credit agency reports that accounts you maintain at other financial institutions are closed due to fraudulent activities committed by you.

RCU may take action to limit services to borrowers with delinquent loans. These actions include, but are not limited to, blocking Visa debit card, Visa credit card, and online banking usage if your loan becomes 25 days or more delinquent.

Account holder(s) agree(s) to indemnify and hold the credit union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys' fees, as a result of any action or inaction taken in relation to the matters described here.

Any restriction of services will be reasonably related to the nature of the Member's conduct. A Member will be provided reasonable advance written notice before any restriction of services is implemented, unless circumstances warrant more immediate action.

Where permitted by applicable law, you authorize RCU to terminate your membership should RCU discontinue providing services to you for any reason.



E. If You Experience Financial Difficulty

If you experience financial difficulty, let us know as soon as you can. We are here to help. We may be able to make arrangements that will ease your immediate payment obligations and help you maintain your good credit standing.

F. Our Right of Offset and Statutory Lien on Accounts

By establishing and maintaining membership with RCU, you agree that if you become indebted to us for any reason, including, but not limited to, our extending credit to you in connection with a transaction you initiate using an RCU-issued Visa® debit or ATM card, and you fail to pay what you owe us according to the terms of your agreements with us or upon our written demand, you agree that we can take funds from any RCU account in which you have an ownership interest (unless prohibited by law), without notice to you, to collect all or part of what you owe us. This consent by you is in addition to our statutory right to impress a lien on accounts under applicable state and/or federal law in the event you fail to meet your payment obligations to us. Both your consent to our Right of Offset and the statutory lien on accounts apply to loans that we have otherwise designated as “signature” loans or “unsecured” loans. Our exercising these rights will not be an election of remedies and will not impair our rights to pursue any other remedies we may have against you.

Your consent to our Right of Offset is not a pledge by you of any account and does not affect your right to withdraw funds as long as you meet your obligations to us. However, you agree that this right extends to any account you have with us, including individual retirement accounts (IRAs) and other accounts that might lose special tax treatment if pledged as security for an obligation, to the extent not otherwise prohibited by law or the applicable account agreement.

If we have permitted you to withdraw funds, whether by cash, check, wire transfer, or other means, against an item you deposited that is later returned unpaid, we will deduct the amount of the unpaid item plus any applicable fees from the account in which you deposited the item. If there are no funds in the account, you agree that we can recover the amount of the item by deducting it from any other account in which you have an ownership interest. If we cannot recover the funds in this manner, then you agree that our right to recover collection costs applies.

G. Collection Costs

If you are in default of any obligation, you agree to pay reasonable costs we incur to collect what you owe us before we take legal action. If we take legal action of any kind (including, but not limited to, collection lawsuits, proceedings to protect our interests if you become a debtor in bankruptcy, appeals, foreclosures, or actions to enforce judgments), you agree to pay our reasonable attorneys’ fees and costs of the action.

H. Fees and Damages

All RCU accounts may be subject to fees. Our fee structure is designed to encourage use of RCU services and to create incentives for Members to meet their obligations and handle their accounts in a responsible way. All fees are disclosed on our separate Cost Recovery and Fee Schedule. The Cost Recovery and Fee Schedule, as amended from time to time, is incorporated, by reference, into this disclosure and made part of it.



Fees for special handling of accounts result, in some instances, from your failure to carry out your agreements with us. To the extent that our charges for handling such matters may exceed our costs, they are to be considered damages. You agree that our collection of a fee does not waive any right we may have under the law to recover any loss we sustain due to your failure to meet the terms of this disclosure or other agreements you have with us. We also have the right to extra damages, whenever the law provides for them, such as the exemplary damages provided as a penalty for writing bad checks.

I. Governing Agreements and Laws

This disclosure, RCU's bylaws and policies, applicable California and federal laws as amended from time to time, and any separate agreements and disclosures provided to you shall govern your transactions with RCU. RCU may amend agreement terms from time to time, consistent with applicable law and regulation, by notifying you where required by applicable law. The term "amend" may include changing existing terms, adding new terms, or deleting old terms. If an amended term is not acceptable to you, you are free to discontinue the related service. If any provision of this disclosure in its present form or as amended from time to time is found to be void or unenforceable, the rest of the disclosure and amendments to it will remain in effect.

We are legally and ethically obligated to safeguard the privacy of your financial information. See the PRIVACY section in this disclosure as well as RCU's privacy disclosure. We take this obligation very seriously. However, there are certain situations in which the law requires us to disclose information about you or your accounts. RCU will comply with lawfully issued subpoenas, levies, writs of attachment, and similar orders pertaining to your account. You must take up any objections you have on matters of this type directly with the individual or entity that has requested information about or asserted a claim to funds in your accounts.

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who establishes a membership. At account opening, we will ask you for your name, date of birth, address, tax identification number and other information that will allow us to identify you. We will also ask to see identifying documents such as a driver's license.

J. Backup Withholding

RCU may be required to withhold amounts mandated by federal tax laws from withdrawals if you or the Internal Revenue Service (IRS) tell us that you are subject to backup withholding, if you fail to give us your correct TIN, or if the name you have listed on your accounts does not match IRS records. You may be subject to IRS penalties if you fail to provide us with your correct TIN or your legal name as recorded with the IRS. We also reserve the right to close your account and deny services to you if you fail to provide your correct TIN or legal name.

K. Cash Transaction Reporting

To help law enforcement agencies detect illegal activities, the law requires all financial institutions to gather and report certain information on some types of cash transactions. If the information that we need to complete the report is not provided, we will refuse to process the transaction. If you have any questions regarding these rules, you may contact the U.S. Treasury Financial Crimes Enforcement Network (FinCEN) at 800-767-2825 or by email at FRC@fincen.gov.



L. Electronic Service Options

We make services available electronically when permitted by law, technically feasible, and consistent with safety and soundness.

You may request any electronic funds transfer (EFT) service we offer. (See the ELECTRONIC FUNDS TRANSFERS section of this disclosure.) In addition, you can:

- Apply for loans
- Obtain and sign agreements and disclosures for the loans and accounts you request
- Authorize us to disburse loan proceeds (except for real estate-secured loans)
- Pay bills and make deposits

We will tell you the type of equipment you need to download and print documents we provide to you electronically. If you have difficulty downloading or printing a document electronically, please ask us to provide paper documents.

For your privacy and protection, we will not electronically release any information about your accounts or disburse funds under the electronic service option without your confidential personal identification number (PIN), password, or similar validation process.

If you prefer to conduct your business with us on paper, all of our services are available in that form. You can discontinue any electronic service at any time.

M. Credit Union Service Centers

You may conduct business on your RCU accounts and loans at Credit Union Service Center locations (Service Centers). All Service Center transactions are subject to the operating procedures, policies and fees of the Service Center that you use.

You will need your RCU account number, ATM card, or PIN to access your RCU accounts at Service Centers. Service Centers will also request a photo ID such as a driver's license. Service Center transactions on RCU accounts and loans are also subject to the terms of RCU's agreements with its Members. Please see the Service Center fee schedule posted at each Service Center location for information about fees that may be imposed for Service Center transactions. Transactions on your RCU accounts that may be available to you at Service Centers include deposits, withdrawals, account inquiries, funds transfers, and loan payments. Most Service Center business days are Monday through Friday, excluding holidays. Please keep your receipts from Service Center transactions to verify against your monthly statements. Telephone Recording

N. Consent to Contact (Non-Telemarketing Only)

By signing the Membership Application and establishing membership, you give your express consent for RCU and others acting on our behalf to contact you at any telephone number you give to us or we obtain from any other source (including any wireless phone or VoIP number), using any calling or texting technology (including any automatic telephone dialing system, artificial voice or prerecorded voice), regarding this account or any other relationship you now or later have with the Credit Union. You agree that you have not provided, and will not provide to us, any telephone number unless you are the subscriber to the service or the customary user of the telephone to which that number relates, unless



you tell us in writing. If you revoke this authorization, you agree to do so in a way that is likely to provide us with notice in time to process that revocation before we make any further calls or send any further texts, such as by using one of the methods designated by the Credit Union for such purpose.

O. Telephone Recording

We may record and/or monitor any of our telephone conversations with you. If we do record, we do not have to keep the recordings, unless the law says we must.

P. Waiver/Modification/Change in Terms

RCU can fail to exercise one or more rights it may have under this or any other agreement we have with you on one or more occasions without such failure being deemed a waiver of any right and without altering the terms of any agreement with you.

The use of an account is subject to such other terms, conditions and requirements as RCU may establish from time to time. RCU has the right to change the terms and conditions of this Agreement at any time, in any manner, and for any reason. We may delete or modify existing terms. We may add new terms without regard to whether the matter is already addressed by this Agreement. We may offer new or different services at any time and may convert an existing account or service into a new account or service. We will generally notify you in advance of changes by sending written notice to your address as it appears on our records. However, we may make changes without sending you advance notice, unless such notice is required by law. By continuing to use or keep your account open, it will be deemed that you accept and agree to any such changes in terms.

Q. Your Consent to the Terms of This Disclosure

Completing and submitting to us a Membership Application constitutes your acknowledgement that you have received this disclosure, the Cost Recovery and Fee Schedule, the Privacy Disclosure, the Truth in Savings Act (TISA) disclosure and your agreement to their terms, and establishes your membership.

3. YOUR RCU ACCOUNTS GENERAL INFORMATION

A. Earnings and Payment of Dividends

If an account earns dividends, they accrue from the business day we receive your deposit. The RCU management committee sets, and the Board approves, our competitive dividend rates, taking into consideration the cost of funds and market conditions. Dividends are only paid out of current income and available earnings after required transfers to reserves at the end of the dividend period. Dividends cannot be guaranteed. Except for certificate accounts, dividend rates and corresponding annual percentage yields are not set in advance. Unless otherwise indicated, dividend rates and yields are variable and can change at any time. The Board may change dividend cycles. See our separate Truth in Savings Act (TISA) disclosure for the current dividend rates and annual percentage yields (APY) and other important terms of all accounts. The TISA disclosure, as amended from time to time, is incorporated by reference into this disclosure and made part of it. If a term in a more recent TISA disclosure or Cost Recovery and Fee Schedule differs from a term in this disclosure, the more recent TISA disclosure and/or Cost Recovery and Fee Schedule will control.



B. Dividend Rates

The dividend rate and annual percentage yield on our savings, checking, and certificate accounts are stated on the rate schedule accompanying this disclosure. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

C. Dividend Calculation, Compounding and Crediting

The dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account each day. If on any day your account balance falls below any required minimum to earn dividends, it will not earn dividends on that day. Except for regular savings accounts, on which accrued dividends are credited and compound quarterly, we credit and compound accrued dividends at the end of each calendar month. If you close an account prior to the end of a calendar month, you will receive any dividends earned up to that date during the month.

D. Balance Information

We compute the balance in your savings, checking, and certificate accounts to determine the dividends you will be paid by using the daily balance method, which applies a daily periodic rate to the balance in your account each day.

E. Account ownership and Transfer of Proceeds at Death

The ownership of trust, IRA, and UTMA accounts shall be governed by the applicable Membership Account Agreement. Unless otherwise specified in the Membership Account Agreement, the parties who sign a Membership Application agree with each other and with RCU that all funds in the accounts shall be owned as follows:

- **Individual Accounts:** All proceeds of each account held under the Member number are owned by the Member named on the Membership Application ("Member account holder"). Upon the death of the Member, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) on the Membership Application.
- **Joint Accounts:** All proceeds of each non-IRA account held under the Member number are owned by the Members named on the Membership Application ("Member account holder"). Upon the death of any of them, ownership passes to the survivor(s), subject to the reclamation rights of the Social Security Administration, if applicable. The TIN under which RCU reports earned dividends will change to match that of the surviving Member, if necessary. Upon the death of all of them, ownership passes to the named pay-on-death payee(s), designated as the beneficiary named on the Membership Application.

F. Special Rules for Joint Accounts

Withdrawals by and Liability of Joint Owners – The owners of an account agree with each other and with RCU that all funds and all accumulations thereon are and will be owned by all Members jointly and equally, regardless of their net contributions, and are subject to the withdrawal or receipt by any of the Member account holders, and payment to any of them shall be valid and discharge RCU from any and all liability for such payment. The Member account holders of an account expressly agree that each



Member is jointly and severally liable for any and all overdrafts, losses, or charges to an account created by any of the Member account holders(s).

Joint Members acting individually may pledge RCU accounts as security for loans with any creditor from which they can borrow. In addition, if a joint Member becomes indebted to RCU in any manner, any account in which the joint Member has an interest becomes subject to RCU's Right of Offset, even if the Member on the account is not a party to the transaction that resulted in the joint Member's debt.

If a joint account is linked to an overdraft protection source such as a savings account or a line of credit, any person with access to the joint account can also access the overdraft protection source. This rule applies even if the joint Member who is responsible for the overdraft is not a joint Member on the linked savings account or a joint borrower on the linked line of credit.

If you wish to designate different joint Members for different accounts, or to have both joint and individual accounts, or to have different payable-on-death (POD) beneficiaries for different accounts, you must complete a separate Membership Application in each case, and we will assign a new Member number. All accounts, other than IRA or health savings accounts, held under a common Member account number will have the same ownership and POD combinations. No matter how many numbers are assigned to a Member, he or she will have only one vote in RCU elections and on other matters submitted to the membership for a vote.

POD beneficiaries are not allowed on UTMA or fiduciary accounts.

You may wish to consult with your tax advisor or legal advisor before you designate POD beneficiaries on IRA accounts because your decision may have significant tax consequences.

We will give information about accounts to each joint Member, provided that any applicable research and copying fees are paid. We will also provide information about your accounts if we receive an information request such as a subpoena that meets legal requirements. However, any disputes about the ownership of funds in joint accounts must be resolved by the account owners without involvement from RCU. We will not give out account information to POD beneficiaries until all account owners are deceased.

Under community property law, either spouse has a right to set up an account in his or her own name without the other spouse's consent. The account-owning spouse can designate any POD beneficiary he or she wishes. However, the surviving spouse of the account owner may have a right to his or her community property interest in the account at the death of the account owner. This interest, if asserted, would reduce the amount that transfers to a non-spouse POD beneficiary. Any claims by surviving spouses against non-spouse POD beneficiaries must be asserted directly against the beneficiary. We do not inquire into the marital situations of Members in connection with their POD beneficiary designations and therefore will have no involvement in disputes between surviving spouses and POD beneficiaries, other than providing information that is requested in a manner consistent with legal requirements.

We acknowledge the obligation to honor court orders and lawful powers of attorney dealing with your specific accounts. Holders of powers of attorney do not become joint Members on your accounts and do not acquire rights of survivorship, but they may sign on your accounts as long as the powers of attorney are in effect and you remain alive. We will honor all court orders and powers of attorney as though they were your own instructions until a court order or power of attorney lapses by its own terms, we receive

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new court orders, or we receive notice that a power of attorney has been revoked. We reserve the right to refuse to honor powers of attorney if, in our reasonable judgment, they are unclear or legally insufficient.

Once you allow another person to sign on your accounts through a power of attorney, we will not have any responsibility for that person's transactions. We recommend you monitor the activities of your attorney-in-fact carefully. You must take up any disputes regarding use of your accounts by attorneys-in-fact directly with those individuals. The only way you can terminate an attorney-in-fact's ability to sign on your accounts is to notify us in writing. To maintain the security of your accounts, we advise you to obtain a new Member number after you delete an attorney-in-fact's authority to conduct business on your accounts. Because we have no control over the information (such as identifying information) or documents (such as blank checks) your attorney-in-fact may have regarding you and your accounts, we will not be responsible for transactions by a former attorney-in-fact unless you change your Member number.

We cannot recognize accounts that require more than one signature to transact business. Each Member, or each fiduciary, if the account has co-fiduciaries, must be able to transact business alone.

Disputes – If there is a dispute about ownership or control of an account, RCU may place a hold on the account and not release funds until RCU receives either a court order or an instruction signed by all persons claiming an interest in the account.

G. Changing Account Ownership or Beneficiaries

Any change in account ownership or access shall be in writing on a new Membership Application. Consistent with the California Probate Code, if one of the owners of a joint account wishes to remove the other owner(s), either (1) that person must withdraw all funds, close the account, and re-open it in the new owner's name with a new account number, or (2) all current owners must consent in writing to the change, and the account must have a positive balance before the joint owner is removed.

RCU will retain and follow only your most recent Membership Application. RCU will consider any omission from your current Membership Application of information that was included in a previous Membership Application of yours to have been intentional. Thus, for example, if your earlier agreement designated a POD beneficiary and your current agreement has no POD beneficiary designation, we will assume that you want your account to pass to your estate at your death.

H. Continuing Authorization to Open Accounts

By completing a Membership Application, you give RCU a continuing authorization to open any account for you on your verbal request and deposit of funds. New accounts under the same Member account number will have the same joint Member(s) and/or POD beneficiary(ies) as any existing accounts under that Member number. When you open new accounts, you will receive a current TISA disclosure and Cost Recovery and Fee Schedule and a receipt telling you the amount of your deposit.

I. Our Obligations to Follow Your Instructions

We are required to follow written instructions on your accounts by any account owner or any person authorized by an account owner to conduct business on your accounts. We consider instructions received in writing or via electronic means such as Automated Clearing House (ACH) authorizations,



automated teller machine (ATM) keypads, RCU's online banking, including bill pay ("RCU online"), RCU's mobile banking or the 24-hour telephone teller to be "written" instructions. Our following of the written instructions of any authorized person excuses RCU of any further legal obligation regarding the proceeds of the transaction. You agree to indemnify and hold RCU harmless from any claims, suits or liability that directly or indirectly result from our handling of your accounts consistent with an authorized person's written instructions.

RCU has the right to refuse to honor your instructions if the instructions are unclear, if a signature appears to be invalid, or if your account is not in good standing. We will notify you if that happens. We also have the right to refuse to follow instructions if we have reason to believe they do not comply with state or federal law. If we receive conflicting instructions from authorized persons, we can freeze the funds and refuse to allow any transactions until we receive a court order or consistent written instructions from all authorized persons.

We have the right to verify your identity in any reasonable manner before conducting business on your accounts.

J. Withdrawals

Withdrawals can be made: (1) in person at RCU branches; (2) by an authenticated electronic request via the 24-hour telephone teller or RCU online to transmit a check, bill payment, electronic transfer, or wire transfer to you or a person you designate; (3) at ATMs; (4) in person at Service Centers; (5) by writing checks if you have an RCU checking account; and (6) by pre-authorized transfer, including an authenticated telephone request to our employee to transmit an electronic check to a person you designate.

You may make unlimited transfers or withdrawals out of your checking account, provided you have sufficient funds available. However, certain transfers out of your regular savings accounts and all money market accounts are limited by Federal Regulation D. You may make as many withdrawals or transfers out of these accounts as you wish using these means: (1) in person, (2) by mail, (3) at an ATM, or (4) by a telephone request to mail a check payable to you to your address in our records. All other withdrawals or transfers out of these accounts are limited to six (6) per month. Examples of transfers or withdrawals out of these accounts to which the limits apply include: (1) pre-authorized automatic payments; (2) transfer requests submitted using the 24-hour telephone teller, RCU online, or RCU mobile banking; or (3) automatic and pre-authorized account transfers (including overdraft protection transfers).

If you do not have sufficient funds available in your account for a withdrawal, we may refuse the withdrawal request. Additionally, we may return the nonsufficient fund (NSF) item presented for payment to the payee's financial institution. A fee may be charged for any NSF item each time the item is presented for payment, regardless of whether or not the items originated from the same transaction. See the Cost Recovery and Fee Schedule.

In order for you to properly manage the money in your account and avoid overdraft and nonsufficient funds fees, it is important that you understand that funds in your account may not be available for withdrawal for a number of reasons, including but not limited to:

- Deposit holds: Deposits into your account are made available for withdrawal according to the schedule in our Funds Availability policy. See the Funds Availability section.



- Pledged accounts: If you pledge an account as security for a loan, the funds will not be available for withdrawal until the loan has been fully satisfied according to the terms of the loan agreement.
- Legal processes: RCU will place a hold on your funds in response to a properly executed legal order to do so. Examples of such orders include, but are not limited to, levies, government seizures, and court orders. See the Governing Agreements and Laws section.
- Right of Offset and Statutory Lien: RCU reserves the right to place a hold on your funds while enforcing our Right of Offset and Statutory Lien unless otherwise prohibited by law. See the Our Right of Offset and Statutory Lien section.
- Merchant authorization holds: When you use your debit card, the merchant may place an authorization hold to confirm you have sufficient funds for the transaction or for a deposit for a potential future transaction. While this hold is in place, the funds are generally not available for withdrawal. However, if a hold is placed for a specific transaction and RCU is able to determine that the merchant hold was placed for that transaction, RCU will release the merchant hold and use those funds to pay the transaction. RCU cannot guarantee that it will always match a merchant hold with a transaction. If a match cannot be made, the hold will not be released, and the transaction must be paid using other available funds in an account. The amount of the hold is generally the same amount as the purchase. However, there can be situations where a merchant places a hold on a larger amount in anticipation of future transactions or situations where a merchant does not obtain an authorization at all and therefore does not confirm you have available funds before processing a transaction. Examples include, but are not limited to, car rental reservations, hotel reservations, and online bids. RCU does not determine and is not responsible for the hold amount placed by merchants. We encourage you to discuss such holds directly with the merchant to determine how much the merchant may place on hold.

We will use the available balance and not your actual balance to determine if you have sufficient funds to cover your transactions. Your “available balance” is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions, and cleared deposits. The difference between your balance and your available balance is the result of pending activity that has not yet posted to the account (example, any “pending” deposits, checks, transfers and withdrawals or holds on your account). At any time, you can confirm your available balance by logging into online banking, mobile banking, or contacting RCU. See the HOW TO CONTACT US section in this disclosure.

At our sole option, we may also pay items, including, but not limited to, checks, debit card withdrawals, or ACH withdrawals, that overdraw your account and assess the nonsufficient fund fee disclosed on the Cost Recovery and Fee Schedule. We are never obligated to pay an item that would overdraw your account, even though we may have accommodated you in this way in the past. See the OVERDRAFT PAY ADVANTAGE section in this disclosure.

To assist you in handling your accounts, we are providing you with the following information regarding the order in which items and transactions are paid. We encourage you to keep careful records and practice good account management. We can change our policy regarding payment of transactions at any time without notice to you. Payments against your accounts are currently made in the following order:



- Checks: Checks are paid in numeric order from lowest to highest. For example, if check #101 and check #102 present for payment on the same day, check #101 will be paid from your account first and then check #102.
- ATM, point-of-sale transactions, RCU online, RCU mobile banking, and 24-hour telephone teller transactions: Are paid from your account in the order they are presented to RCU throughout any given day.
- Signature-based Visa debit card withdrawals: Transactions are paid from your account in the order they are presented to RCU from merchants throughout any given day.
- Automated Clearing House (ACH) withdrawals: Transactions are paid from your account in order of smallest amount to largest amount. For example, if you have two ACH withdrawals presented for payment at the same time and one withdrawal is for \$10 and the other is for \$50, the \$10 item will be paid first followed by the \$50 item.

K. Deposits

Funds can be deposited to your accounts by: 1) ACH, including direct deposit; 2) automatic payroll deduction; 3) in person at RCU branches or Service Centers; 4) by mail; 5) by wire transfer; 6) through certain ATM networks to which RCU belongs; and 7) by RCU online or RCU mobile banking. Certain deposits are subject to delayed availability, as spelled out in the FUNDS AVAILABILITY POLICY section of this disclosure. You agree and warrant that all checks you deposit into your RCU account will meet the following standards:

- Checks must bear an authentic signature by the person on whose account the check was drawn.
- Checks may not have any apparent alteration to the front of the check.
- Checks must be made payable to you or another owner of your account. If a check is payable to multiple parties with the designation of "and," all payees must be account owners. For example, if a check is made payable to "Pat Smith and Sandy Smith," both Pat and Sandy Smith must be owners of the account through which the check is negotiated. If the check is instead made payable to "Pat Smith or Sandy Smith," "Pat Smith/Sandy Smith," or "Pat Smith Sandy Smith," either Pat or Sandy may negotiate the check as long as one of them is an account owner.
- The payee of the check must endorse the check on the first 1½ inches of the trailing edge of the back of the check. The trailing edge is opposite the left side of the face of the check, the side of the check just behind the address of the financial institution.
- Checks must be payable in U.S. dollars, drawn on a financial institution physically located in the United States, and must contain a MICR line (special characters printed on the bottom of the check that contain routing number and account number associated with the check).
- Checks may not be presented prior to the effective date of the check and may not be more than six months old.
- Checks may not have been previously presented for payment.
- To the best of your knowledge, checks are not fraudulent or otherwise unauthorized by the owner of the account on which the check is drawn, drawn on a closed account, or drawn on an account with nonsufficient available funds to pay the check. You have no reason to believe the check will not be paid by the institution on which it is drawn.
- Checks may not be any of the following:
 - Contain the statement "non-negotiable"



- Transmitted from an Office of Foreign Asset Controls (OFAC) – restricted country
- Registered government warrant (otherwise known as IOUs issued by state government in lieu of actual payment)

If a check made payable to you is deposited without endorsement to any account on which you are a Member, RCU can endorse the check for you and present it to the bank on which it is drawn for payment.

Acceptance of checks payable to third parties is at our discretion. For checks payable to you and a third party, we may require that any third parties or payees who are not owners of the account have their financial institution guarantee their endorsements.

Checks deposited at the ATM or by mobile are subject to image review. We may reverse the deposit if the check is unable to be processed.

We may refuse to accept for deposit checks or other items that appear to have been altered, counterfeit, are not made payable to you, or otherwise do not meet the above standards. The fact that RCU processes an item for you or makes funds available to you does not constitute a guarantee that an item is a legitimate negotiable instrument or will be paid by the clearing financial institution. If a check is not paid by the clearing institution, RCU will reverse the deposit from your account and you will be responsible for any delays in process and losses, fees, and/or negative balances that result from such a reversal. You waive protest and notice of dishonor for nonpayment of deposited returned items.

If you are concerned that a check will not be paid, RCU encourages you to negotiate the item directly with the financial institution upon which it is drawn.

We have the right to automatically redeposit items that are returned for nonsufficient funds (NSF) without notification to the parties. Depository institutions may re-present items drawn on your account that were returned NSF. Checks you write on nonsufficient funds may be re-presented by the payee for payment through the ACH system if the payee notifies you of this possibility when you write the check. Checks on which the signature is forged, altered checks, checks for over \$2,500, checks returned for reasons other than nonsufficient funds, or checks re-presented more than 180 days after their original date, are not eligible for ACH re-presentation.

Except for checking accounts, all accounts are nontransferable, other than on the books of RCU. This means that shares can be transferred only to other Members. To transfer your shares to another Member, you must use a written form acceptable to us. We may require a notice of at least seven (7) and up to sixty (60) days before you withdraw shares.

Funds pledged as security for loans cannot be withdrawn without RCU's prior written consent. We may refuse withdrawals if you have delinquent obligations with us.

L. Federal Share Insurance

Your shares are insured by the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration (NCUA), a U.S. government agency. Generally, if a credit union Member has more than one account in the same insured credit union, those accounts are added together and insured up to at least \$250,000. If your account has joint Members, natural person payable-on-death beneficiaries, or an IRA, your insurance coverage may be increased.

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M. Fees

All RCU accounts may be subject to fees, which, if assessed, may reduce earnings. We use the daily balance method to determine whether any balance-based fee waivers apply. If your account falls below any required minimum to avoid a fee on any day during the statement cycle, the fee will be assessed. Please see the separate Cost Recovery and Fee Schedule.

N. Permanent Records and Statement Review

We will make available to you periodic statements, recording all deposits, withdrawals, checks drawn on your account, dividends (if any), and fees. All accounts will receive a statement at least quarterly. Checking accounts and accounts with electronic transfer activity will receive monthly statements. If there is more than one owner of the account, the statement will be sent to the first account holder.

Unless you elect eStatements, we will mail statements to you at your address in our records. If you elect eStatements, we will send an email to you at the email address in our records notifying you that your statements are available for retrieval at our secure web site.

You agree to notify us promptly in writing of any change in your physical or mailing address. If you have elected eStatements, you agree to notify us promptly of any email address changes using one of the contact methods listed in the HOW TO CONTACT US section at the end of this disclosure. We are not responsible for failing to deliver your statements if you don't supply us with your current address.

RCU does not include images of cancelled checks with periodic statements. Copies of checks are available through RCU online banking for 18 months, and upon request. See Cost Recovery and Fee Schedule for applicable fees.

We are not responsible for items lost in delivery by the post office or otherwise not collected by the Member.

We retain account statements in a retrievable format so you can request copies for seven years. We may charge a fee for statement copies. See the Cost Recovery and Fee Schedule. eStatements are available for you to access through RCU online banking for 24 months.

O. In Case of Errors or Inquiries About Your Statement

If you suspect that a transaction against your account bears an unauthorized signature or has been altered, you must notify us, in writing, within **sixty (60) days** after we sent you the statement on which the unauthorized transaction occurred. Provide all of the information requested under the section entitled WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY.

If you do not tell us within **sixty (60) days**, we are not responsible for any losses you incur due to the forgery or alteration. We operate in an electronic processing environment and it is not feasible for us to examine every signature on every check. For this reason, we are, as permitted by the commercial code, altering the provisions of the commercial code regarding the time limits for reporting unauthorized signatures or other unauthorized transactions on checking accounts. Neither are we responsible for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.



Review your statement promptly to ensure that there are no errors. RCU will investigate any errors, provided you notify us in writing within **sixty (60) days** of the mailing of the statement containing the error. Include all the information requested under the section entitled WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY at the end of this disclosure. If you do not provide us with all of the requested information, we may discontinue the investigation without any further action due to lack of sufficient information. We will not be liable for errors if you fail to notify us within the 60-day period. If the problem involves an unauthorized signature or alteration, you are precluded from asserting against us any subsequent unauthorized signatures or alterations by the same individual, unless the credit union is notified of the unauthorized signature or alteration within thirty (30) days of the date we mailed the first statement containing the first unauthorized signature or forgery.

If we correct any error that we made or accept any responsibility for a transaction, we have the right to collect the amount credited to your account from anyone else who is responsible. Our crediting your account will result in an automatic assignment to us of your rights to collect the amount from anyone else. You agree to cooperate with our efforts to collect the amount we credited to your account.

If funds are incorrectly credited to your account, RCU may later deduct such credit. This may result in a negative account balance if you have made use of these funds. You agree to repay any negative balance that results from using these incorrectly credited funds. If there are no funds in the account, you agree that we can recover the amount of the item by deducting it from any other account in which you have an ownership interest. If we cannot recover the funds in this manner, then you agree that our right to recover collection costs applies.

If we make an error in handling your account, our liability will be limited to the actual damages. The maximum actual damages are the amount of the transaction. We will not be liable for indirect or consequential damages such as alleged harm to your credit standing, unrealized profits, emotional distress, or exemplary damages due to a claimed reckless disregard of the consequence of our actions.

P. Electronic Funds Transfer Errors or Unauthorized Use

Please refer to the separate ELECTRONIC FUNDS TRANSFER AGREEMENT and DISCLOSURE sections in this agreement for information about your rights and responsibilities.

Q. Escheat

Membership accounts that have had no activity other than crediting of dividends for a period of three years are considered to be dormant. We will notify you of the dormant status of your account at the most recent address you have provided. If we do not hear from you, and the account remains inactive for the time period specified by state law, your account will be deemed abandoned and be subject to surrender to the Unclaimed Property Division of the State of California (or to the state in which you reside). We may charge a fee for dormant account notification, as disclosed in RCU's Cost Recovery and Fee Schedule. Once funds have been surrendered to the State, any claim that you may have for those funds would be directly with the State.

R. Our Handling Accounts in Case of Your Death or Incompetence

Upon notification of the death or incompetence of an individual Member, RCU may freeze the account. In our discretion, we may require certain documentation, such as a court order appointing a conservator or death certificate, prior to releasing any funds. If checks were issued by the individual Member prior to



the date of their death or incompetence, and are presented after RCU has been notified, we may pay those items for up to 10 days, unless an interested person has directed RCU to stop the payment. After we learn of your death or incompetence, we will comply with the law or court orders in disbursing account proceeds, and we will honor stop pay requests by any persons claiming an interest in your account. Joint accounts are handled differently. See the section ACCOUNT OWNERSHIP AND TRANSFER OF PROCEEDS AT DEATH for additional information.

4. PRIVACY AND DISCLOSURE OF INFORMATION

A. Disclosure to Owners, Obligors, and Persons Authorized to Conduct Business on Your Accounts and Loans

Members are entitled to information about accounts of which they are owners and about loans they are obligated to pay. Joint Members on accounts are entitled to information about accounts of which they are owners. Joint borrowers and non-borrowing co-signers are entitled to information about all loans that they are obligated to pay. A person who is not an obligor on a loan but has pledged real or personal property as collateral for the loan is entitled to know if and when the loan goes into default and the steps necessary to cure the default. A person whom you have designated with RCU as an authorized signer on an account or an authorized user of credit has the right to information about the account or loan.

Any person who is entitled to information can authorize release of information about the account or loan to third parties. If we have the written permission of an authorized person, we will release information even though we would otherwise be prohibited from doing so by law or policy.

We do not disclose account information to payable-on-death beneficiaries until all account owners are deceased.

A person who was formerly an owner of an account or an obligor on a loan can obtain information regarding the account or loan during the time he or she was an owner or obligor.

Any party who requests information about an account or loan must pay applicable research and copying costs. We are not required to retain account or loan information beyond any maximum time established by law. For accounts, the maximum retention period is generally seven years. For loans, records are generally retained until the loan is paid in full.

B. Disclosures to Third Parties

We will honor lawfully issued subpoenas, government information requests (including, but not limited to, family support data matching programs), writs, levies, and other lawful requests for information about your accounts and loans. Generally, the law requires persons or entities seeking information about your accounts or loans to notify you and give you an opportunity to object, although some exceptions to this general rule apply.

We will disclose information about you to third parties as necessary to conduct our business, to conduct your transactions, and as allowed or required by law. We will disclose information about you to third parties with which we have agreement to help us provide our products and services to you.

Please refer to our separate RCU privacy disclosure for more information on your privacy rights.

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5. SAVINGS ACCOUNTS

A. Regular Savings Account

Depending on bylaw requirements in effect when you join, you may be required to maintain a regular savings account with a specified minimum balance to be a Member of RCU in good standing (PAR Value). The regular savings account earns dividends when the balance meets minimum requirements stated in the separate Truth in Savings Act (TISA) disclosure for regular savings accounts. Members are permitted to maintain more than one regular savings account if they wish. See the WITHDRAWALS section of this disclosure for limitations on certain types of withdrawals out of this account. Please refer to the separate TISA disclosure for regular savings accounts for more detailed information, including any account maintenance requirements to remain a Member in good standing.

B. Holiday Savings Accounts

These accounts have minimum balance requirements and earn dividends. See the WITHDRAWALS section of this disclosure for limitations on certain types of withdrawals from this account. Unless you specify otherwise, holiday savings funds will be deposited into your checking account on October 31st of each year. If you do not have a checking account, these funds will be deposited into your savings account. You may request a check be mailed instead by contacting us. Please refer to the separate TISA disclosure for Holiday Savings Accounts for more detailed information.

C. Money Market Accounts

These accounts have minimum balance requirements and earn dividends. See the WITHDRAWALS section of this disclosure for limitations on certain types of withdrawals out of these accounts. Funds in money market accounts cannot be pledged as security for loans. Please refer to the specific TISA disclosure for money market accounts for more detailed information.

D. Certificate Accounts

RCU offers a wide variety of rates, yields, and term lengths on certificate accounts. Rates offered change frequently to reflect market conditions. Once you open a certificate account, the dividend rate and annual percentage yield (APY) will remain fixed throughout the certificate's term unless otherwise specified in the Certificate Accounts TISA disclosure. Please refer to the separate TISA disclosure for certificate accounts for more detailed information.

E. Promotional Accounts

RCU may, from time to time, offer promotional accounts for a limited time. A specific TISA disclosure for the promotional account will provide detailed terms and required disclosures for that account.

F. Individual Retirement Accounts

RCU offers a variety of individual retirement accounts (IRAs). Depending on the type of IRA you select and your personal circumstances, your contributions to the IRA may be tax deductible, or your earnings may be tax free. Consult your tax advisor about the type of IRA that best suits your needs. The terms stated in this disclosure, the IRA account TISA disclosure, and the Cost Recovery and Fee Schedule will apply to the IRAs, as well as the terms of the separate IRA agreement disclosure you will receive when you open an RCU IRA. Funds in IRA accounts cannot be pledged as security for loans.



G. Health Savings Accounts

RCU offers health savings accounts (HSAs) which, depending upon personal circumstances, may be used to make tax-deductible contributions toward qualified health care expenses. Consult your tax advisor to determine if an HSA fits your needs. The terms stated in this disclosure, the TISA disclosure, and the Cost Recovery and Fee Schedule, will apply to HSAs, as well as the terms of the separate HSA agreement disclosure you will receive when you open an RCU HSA. Funds in HSA accounts cannot be pledged as security for loans.

Withdrawals made from your HSA by personal check or using an automated means such as the Automated Clearing House, a Visa debit card, RCU online, RCU mobile banking, or the 24-hour telephone teller, will be reported to the IRS as a normal distribution. If you do not wish for a withdrawal to be reported as a normal distribution, prior to completing the transaction, you must complete an RCU HSA withdrawal form indicating the type of distribution.

If you elect to open a family plan HSA, at your option, you may designate an authorized signer to the account by completing an authorized signer agreement. Once you allow another person to sign on your account, RCU will not have any responsibility for that person's transactions. Please refer to section labeled ACCOUNT OWNERSHIP AND TRANSFER OF PROCEEDS AT DEATH for important disclosures regarding authorized signers.

H. Fiduciary Accounts

We can set up regular saving accounts, money market accounts, certificate accounts, and checking accounts for special purposes such as family trusts, executors of estates, and guardians and conservators. UTMA accounts are also available. These accounts are subject to separate written agreements. Certain restrictions apply.

6. CHECKING ACCOUNTS

A. General Checking Account Information

In some cases, checking accounts are subject to fees if certain daily balances are not maintained. If a combined balance determines whether a fee will apply, be aware that combined balances are determined according to Member number, not Member name. "Direct deposit" refers to an ACH deposit to any RCU account of any amount. All accounts offer unlimited check writing, a free Visa debit card, free 24-hour telephone teller, free RCU online banking, RCU mobile banking, and unlimited use of RCU-owned and CO-OP ATMs. Your use of non-RCU or non-CO-OP ATMs (out-of-network ATMs) may be subject to fees depending on the type of checking account you select and the ATM owner's fees. Please refer to the separate checking account TISA disclosure and Cost Recovery and Fee Schedule for additional information on services and fees that apply to our different checking accounts.

7. CHECKING ACCOUNT TERMS

The Following Additional Terms Apply to Your Checking Account:

A. Payments on checks

We will make payments on current checks drawn on available funds in your checking account when signed by any person authorized on your Membership Application. We will honor only properly

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completed, signed, and endorsed checks, on blanks printed in a form either approved by us or printed and provided to you for your use. Spoiled checks should be destroyed or, if retained, should be disfigured or voided. If you have duplicate checks, the carbon copy in the checkbook should be marked "void."

B. Governing law

In handling checking transactions, we are governed by the California Commercial Code, Federal Reserve Board regulations, and our RCU procedures, as changed from time to time. If any provision of this disclosure is found to be unenforceable, the rest of the agreement will remain in effect.

C. Stale-dated items

RCU is under no obligation to pay a check on which the date is more than 6 months old. If we do pay it, we will not be liable to you for any costs or damages.

D. Overdrafts

Upon opening your checking account, RCU will establish overdraft protection from your regular savings account. This overdraft protection feature will trigger automatic transfers from available funds in your regular savings account, as needed, to cover checks or pre-authorized electronic transfers in the event they are presented for payment against nonsufficient funds available in your checking account. Overdraft transfers are made at no charge to you from available funds in your savings account, in \$100.00 increments, to the nearest \$100.00, up to the available balance in the regular savings account. If you do not have sufficient available funds in your regular savings account to cover the presented items, no overdraft protection transfer will be made. Overdraft protection transfers from regular savings are limited to six per month.

Other overdraft protection sources may be available. Any change to overdraft protection source may be requested in online banking, or verbally with a representative over the phone or in a branch.

Subject to any limitations provided herein, if you have an open-end line of credit in good standing and with available credit, you may also designate that line of credit as an overdraft protection source. Transfers from the open-end line of credit to cover NSF transactions are made at no charge; however, daily interest charges will accrue for outstanding balances on the line of credit. Overdraft protection advances will be posted from your line of credit in increments of \$100.00, to cover your overdrafts, in the amount needed and up to the available funds on your line of credit. If you do not have sufficient credit available in \$100.00 increments to cover the item(s), no overdraft protection advance will be made. Additionally, line of credit overdraft protection advances cannot be made to pay debit card transactions. Any person authorized to make withdrawals on your checking account (joint Member, holder of power of attorney, etc.) can access your line of credit for overdraft protection, even if they are not a borrower on the line of credit. Overdraft line of credit advances are governed by the terms of the applicable loan agreement.

If you don't have an open-end line of credit or have exceeded your credit limit, and there are not sufficient funds available in the regular savings account or other accounts you have designated as overdraft protection sources, we may return NSF items presented for payment to the payee's financial institution. A fee will be charged for all NSF items, each time the items are presented, regardless of whether or not the item originates from the same transaction. See the Cost Recovery and Fee Schedule.

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If you have authorized several overdraft protection sources and more than one has available funds or credit, RCU can decide which source to access to cover overdrafts.

Unless you have a formal overdraft protection arrangement with us and there are sufficient funds available to cover the overdraft in the source account or line of credit, we can close your checking account without prior notice for repeated overdrafts or for your misuse of the account, such as check “kiting.” Checks you write may clear within a matter of minutes or hours.

The rules that apply to overdrafts caused by checks you write also apply if an overdraft results because you have obtained cash for an item you deposited that is later returned to us unpaid.

E. Stopping payment

You can stop payment on any check drawn on your account before the check has been cleared for payment by notifying us verbally or in writing. Stop payment requests will be processed promptly, but RCU will not be responsible for a check that is paid by us within the first business day after you request the stop payment. Stop payment requests are valid for only six months but may be renewed for additional six-month periods by giving notice to RCU within the period during which the stop payment request is effective. If you submit a verbal stop payment request or renewal, we reserve the right to require, at our sole discretion, (a) reasonable information to verify your identity and (b) a written confirmation of your request.

- For us to effectively stop payment, we need to know the payee, the account number, the date, the check number, and the exact amount of the check. Our processing system will search for the check exclusively by the check number and dollar amount. It can read nothing else on the check. If the check number is wrong, or if the dollar amount varies by even one penny, we will not find the check and no stop payment will be made.
- If we fail to carry out a timely stop payment, we will not be obligated to reimburse you if the check paid your valid obligation. If we do reimburse you, the claim for funds against the payee of the check will be assigned to us and you agree to cooperate in collecting the amount wrongfully paid to the payee of the stopped check. Our liability to you is limited to the amount of the improperly paid check.

F. Check security

You are responsible for taking reasonable measures to keep your checks secure. Do not leave your checks in the possession of someone who is not an owner on your account. If your checks are lost, stolen, or in someone else’s possession, please call us immediately at 1 (800) 479-7928. Because of the risk that someone obtaining your account and routing number can order checks outside the sequence of numbers on which you stop payment, we recommend that you close your checking account and reopen it under a new number. If you elect to keep your account open under the same number after checks have been lost or stolen, we will not be responsible for unauthorized checks paid on your account unless they fall within a sequence of check numbers on which you have stopped payment.

G. Post-dated checks

Postdated checks may be cashed if presented by the payee before the date on the check. We will not be liable for the consequences of early payment, unless you notify us before the check has cleared that the item is postdated and we have reasonable time to act on such notice. Your notice must specify the check



number, dollar amount, payee, and date before which the item is not to be paid. If the check number or dollar amount you tell us in your postdating notice do not exactly match those on the postdated check, we will not be liable to you if we pay the check before its date. We are not obligated to cash or process postdated checks payable to you, regardless of who wrote the check, and it is our policy not to do so. Postdated checks you deposit at ATMs or by mobile device may be reversed from your account balance and returned to you.

H. Availability of funds for withdrawal

Non-cash deposits are made available only after the times specified in the FUNDS AVAILABILITY POLICY section of this disclosure. We consider these deposits uncollected funds until the hold period expires. The fact that a hold has expired and the funds are available does not indicate that the item has or will be paid by the clearing financial institution. Please postpone writing checks or attempting withdrawals against these funds, unless you intend to rely on your overdraft protection.

I. Prohibition on pledging fund

Funds deposited in checking accounts may not be pledged as security for loans.

J. Substitute checks

Under electronic check processing laws, you may receive a “substitute check” when you request your original paper check. In such cases RCU will give you a notice explaining your rights with regard to substitute checks.

8. SPECIAL SERVICES

A. Official Checks

If you obtain a check drawn on RCU payable to someone other than yourself, RCU is, under normal circumstances, guaranteeing the payment of the check. For that reason, we will accept a request for replacement or refund on an RCU check only if the check was lost, stolen, or destroyed and we receive a written declaration under penalty of perjury from you and the payee.

If we receive the request after the check has cleared, we will not be responsible for the loss.

We will generally not issue a replacement check or credit your account until thirty (30) days after the issue date of an RCU check. If we accommodate you by issuing a replacement check before thirty (30) days have passed, we can require you to obtain, at your expense, a lost instrument bond.

If, after thirty (30) days have passed, we issue a replacement check or re-credit your account, we are discharged from further liability. If a holder in due course presents the original check after that time, you must pay the proceeds of the original check to the holder or the financial institution. You agree that if this happens, and you do not pay us the amount of the original check immediately upon our demand, we can deduct the amount of the original check from any RCU account in which you have an interest, and that if you do not have available funds for us to exercise our Right of Offset, our general rights to collect what you owe us will apply.



B. Wire Transfers

We can make wire transfers from your accounts and will carry out your written/verbal instructions. We will also receive wire transfers for you. Wire transfers are subject to the terms of Federal Reserve Regulation J and Article 4A of the Uniform Commercial Code. In addition, transfers that meet the definition of remittance transfers are governed by Regulation E, subpart B. Requirements for remittance transfers, and consequently terms of this disclosure, may vary for such transactions. A “remittance transfer” is an electronic transfer of funds of more than \$15.00 that is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to remittance transfers may vary from those disclosed herein and will be disclosed to you when such services are requested and rendered in accordance with applicable law.

Except to the extent that it may be prohibited under Subpart B of Regulation E with regard to “remittance transfers,” wire transfers that we send and receive are subject to the following terms:

- If we are receiving a wire transfer on your behalf, our responsibility is to carry out the terms specifically as transmitted by the sending financial institution, including any specific security procedure.
- We will not be liable for damages to you or a third party if we carry out the written instructions in a reasonable manner.
- We have a right to rely on any account or routing numbers furnished by you as sender or any numbers transmitted with a wire transfer from another financial institution for your benefit with reference to the deposit of the funds received.
- We have no obligation to correct erroneous spellings of names or erroneous account numbers in sending or receiving wire transfer proceeds.
- In sending wire transfers for you, we will follow security procedures. If you make your request in person, we may require photo identification. If you make your request by telephone, we may call you back at your telephone number listed in our records to confirm the request, and we also may ask you to confirm a telephone request by a signed authorization letter before the wire transfer is performed.
- We will not be liable for indirect, consequential, or punitive damages in the event a loss is sustained because we have failed to carry out instructions in a reasonable manner. Our liability is limited to the amount of the wire transfer.
- Wire transfers will be reflected on your monthly statement. You agree to examine your statement promptly and notify us of any wire transfer errors within the timelines listed below. If you do not notify us within these time frames, we will not be liable for any claims, demands, or expense related to the error.
 - Domestic and incoming international wires: within thirty (30) days of the mailing of the statement.
 - Outgoing international wires: within one hundred eighty (180) days of the date we state that the funds will be available to the recipient.
- If we receive an erroneous transfer to your account, the sending party is generally responsible for collecting the money directly from you. We have the right to reverse an erroneous transfer to your account and deduct the amount of the transfer from your account. We will notify you if this happens. If a wire transfer you receive is reversed and the reversal results in a negative account

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balance, you agree to immediately restore any resulting overdraft on our demand. If you do not do so, you agree that we can recover any overdraft amount from any RCU account in which you have an interest. You further agree that our rights under collection costs apply if we cannot recover what you owe by exercising our right of offset.

- Unless we tell you otherwise, our cutoff time for wire transfers is 12:00 p.m. Pacific Time. Payment orders, cancellations, or amendments received after the cutoff time will be processed during the next business day that we are open.
- Once a wire has been sent, it generally cannot be canceled with the exception of international wires, which may be cancelled within thirty (30) minutes of payment for the transfer.
- Your wire transfer requests may be delayed, returned, or lost if you give us erroneous information.
- We can refuse to carry out a wire transfer request or change order if we have reason to believe that doing so will cause us a loss.

Please refer to the Cost Recovery and Fee Schedule for wire transfer fees.

C. Overdraft Pay Advantage

RCU's Overdraft Pay Advantage (OPA) service acts as a safety net on those occasions when you do not have enough available funds to pay for a transaction and do not have any other overdraft protection sources available. Instead of an item or transaction being returned or declined, RCU may pay the item or transaction on your behalf. Because an overdraft occurred, you will incur a nonsufficient funds (NSF) fee per our Cost Recovery and Fee Schedule, which will count toward your Overdraft Pay Advantage limit (defined below). This fee is the same amount as if we returned your check unpaid. (Debit card transactions that are declined are not assessed a fee.) This service may be available to pay your checks, automatic bill payments (such as Automatic Clearing House or recurring debit card transactions), and, if you choose, your everyday debit card transactions.

RCU offers Overdraft Pay Advantage as a Member service and is under no obligation to pay items when your account does not have enough available funds, even if previous overdraft transactions have been paid by us. RCU's Overdraft Pay Advantage service is not guaranteed and the coverage amount of this service is subject to change. We strive to pay overdrafts up to an amount previously disclosed to you (Overdraft Pay Advantage limit) as long as you are in good standing, which means your account is not continuously negative more than twenty (20) days, does not have a delinquent loan for ten (10) days, and you make regular deposits consistent with your past practices. If your account is not in good standing or you have not made regular deposits to your account, we typically will not pay an overdraft and your coverage amount could be reduced or revoked.

After a transaction is paid, you will be asked to make a deposit to cover the negative balance in your account immediately. If you do not pay, you agree that we can cover the amount of the negative balance from any other RCU account in which you have an interest under our Right of Offset. If we cannot recover the amount by exercising our right of offset, our right to recover collection cost applies.

Recurring overdrafts can be expensive and RCU offers these other resources to aid in account management:



- Overdraft account transfer: Funds from your RCU savings and/or money market account can be transferred to your checking account in \$100 increments to cover the transaction. This is a free service, limited by Regulation D to six transfers per month.
- Overdraft line of credit: Funds from your line of credit can be advanced in \$100 increments to your checking account to cover the transaction. If there is a balance, daily interest is charged. If there is no balance, no interest or fees are charged. Overdraft protection advances cannot be made to pay debit card transactions.
- Online resources: budgeting and financial management education is available online at redwoodcu.org through our Life Planning & Education section.
- RCU online banking, mobile banking, and email alerts: You can monitor your account balances in real time and set up alerts to let you know when your balance is low.
- BALANCE Financial Fitness: RCU offers Members free, confidential budgeting and money management review and assistance through our partners at BALANCE Financial Fitness. Please contact BALANCE at 1 (888) 456-2227 or online at balancepro.net for more information.

To learn more or to opt out of the use of Overdraft Pay Advantage, please contact us. See the HOW TO CONTACT US section at the end of this disclosure.

9. FUNDS AVAILABILITY POLICY

Our policy is to make funds from your cash and check deposits available to you on the first (1st) business day after the day we receive your deposit. Electronic direct deposits will be available by the opening of business on the settlement date assigned by the Federal Reserve Bank. Once they are available, you can withdraw the funds in cash, and we will use the funds to pay checks that you have written or electronic payments that you initiate.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 6:00 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 6:00 p.m., or on a day other than a business day, we will consider your deposit made on the next business day that we are open.

A. Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first (1st) business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to an RCU employee, or if we decide to take this action after you have left the premises, we will mail the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, please ask us when the funds will be available. The fact that RCU makes funds available does not mean that the deposited item has or will be paid by the institution upon which it is drawn.



In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit 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 computer or communications 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 (7th) business day after the day of your deposit.

B. Special Rules for New Accounts

If you are a new Member, the following special rules may apply during the first thirty (30) days your account is open:

- Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first (1st) business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the seventh (7th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the seventh (7th) business day after the day of your deposit.
- Funds from all other check deposits will be available on the seventh (7th) business day after the day of your deposit.

C. Collection Items

Items that do not contain a MICR line, are not payable in U.S. dollars, or clear through a foreign bank that is not physically located within United States, cannot be processed through the Federal Reserve system as deposit items and must instead be negotiated through a lengthy process known as collection. As such, these items are not subject to the funds availability policy. When you submit an item for collection, the collection process will be explained so that you may determine if you wish to use the process or pursue an alternative payment method. Fees apply when an item is submitted for collection and vary by item.

10. ELECTRONIC FUNDS TRANSFER AGREEMENT AND DISCLOSURE

A. Introduction / Scope of Services / Consent to Terms

Electronic funds transfers (EFTs) are payments to, or withdrawals from, your accounts that are initiated electronically. This EFT agreement applies to EFT transactions initiated with: (1) 24-hour telephone teller; (2) RCU online, RCU mobile banking, and RCU pay; (3) ATMs; (4) point-of-sale (POS) terminals; (5) use of debit card; and (6) transfers into and out of your accounts via Automated Clearing House (ACH).



All EFTs are subject to the terms governing RCU accounts that you access electronically. By applying for, retaining, and using any type of EFT access device offered by RCU, you consent to the terms of this agreement and disclosure with regard to your use of EFT services. An access device is a card, a PIN, a code, or a combination of devices.

This Agreement and Disclosure does not apply to wire transfers.

B. Eligibility

You must be an RCU Member in good standing. Your checking account history with RCU and other institutions must be satisfactory. To be eligible for a debit card, you must have an RCU checking account.

C. Security of Your Accounts

Keep Your PIN Secret and Your Card Safe

Keying your PIN is required when you use an ATM card or debit card at an ATM or point-of-sale terminal. You may select your own PIN when you request an ATM or debit card at an RCU branch. A randomly selected PIN will be assigned to the card if you request a card online or over the phone, or if you do not select a PIN.

Use of the 24-hour telephone teller, RCU mobile banking, or RCU online and RCUpay, also requires use of a PIN, password, or similar validation process. You will select your own PIN when you sign up for 24-hour telephone teller or RCU online and RCU mobile banking. You can customize your PIN by following the instructions on the 24-hour telephone teller, RCU mobile banking, or RCU online. To keep your PINs secret, please follow these simple rules:

- Memorize your PIN or password.
- Do not keep a written record of your PINs or save them on your computer.
- If you must write your PINs down, do so in a way that they will not be recognized as PINs, and do not write them on your debit card or ATM card or near the telephone or computer in your home or office.
- Don't let anyone use your debit card or ATM card or watch you key in your PIN.
- If you suspect that any unauthorized person has obtained your PIN, contact RCU immediately and request that your old PIN be canceled and a new PIN be issued.
- Treat your debit card as carefully as you treat cash.
- Review your account statements and transactions regularly and report any suspicious activity immediately by contacting us as described in the How to Contact Us section of this disclosure.
- After memorizing your PIN, you should destroy, in a secure manner, the notice disclosing your PIN.
- If you forget, misplace, or otherwise disclose your PIN, contact the Credit Union and we will issue you a new one.

D. Fees

Any fees that apply to use of EFTs are disclosed on RCU's separate Cost Recovery and Fee Schedule.

E. 24-Hour Telephone Teller

Our 24-hour telephone teller lets you access your accounts electronically by telephone from anywhere in the United States. We will give you instructions on how to conduct transactions on your account by phone. Generally, 24-hour telephone teller is available 7 days a week, 24 hours a day, except during

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periodic system maintenance. All transactions are limited to available funds in your accounts. Transfers out of your regular savings and money market accounts initiated through the 24-hour telephone teller are limited by federal regulation to six (6) per month.

Please read the section entitled TERMS APPLICABLE TO ALL EFTS carefully. These terms apply to transactions made through the 24-hour telephone teller.

F. RCU Online and RCU Mobile Banking

If you have a device with internet access and an RCU online banking username and password, you can use RCU online and RCU mobile banking to conduct transactions and pay bills. You will select your own unique username to access RCU online and RCU mobile banking. You may not select a username that contains offensive or obscene language or is otherwise in use.

RCU online and RCU mobile banking are generally available 24 hours a day, 7 days a week, although the system may be down from time to time for maintenance.

All transactions are limited to available funds in your accounts. Transfers out of your regular savings and money market accounts, initiated through RCU online and RCU mobile banking are limited by federal regulation to six (6) per month. Please read the section entitled TERMS APPLICABLE TO ALL EFTS carefully. These terms apply to *RCU Online* and RCU mobile banking. RCU online and RCU mobile banking are also governed by the Online Banking Terms of Service agreement, incorporated by reference into this disclosure.

G. RCUpay

RCUpay is a person to person payment service available to RCU Members in good standing that are over 18 years of age. To access RCUpay, you must be enrolled in RCU online banking and meet certain hardware and software requirements, including access to the internet through either a mobile device registered with RCU, or a PC or laptop. Visit our website to obtain a current list of supported operating systems and scanner standards. RCUpay allows funds transfers from your mobile device to any recipient; however, this is not suitable for bill payment. RCUpay is governed by the RCUpay Terms of Service Agreement, incorporated by reference into this disclosure. This service is not available to business Members.

Please carefully read the section below entitled TERMS APPLICABLE TO ALL EFTS. These terms apply to transactions made with RCUpay.

H. ATM Cards

ATM cards are available to Members who do not have an RCU checking account. You can use your ATM card and PIN to make deposits, cash withdrawals, transfers, or balance inquiries from your RCU account at any RCU or CO-OP network ATM. ATM service is generally available 24 hours a day, 7 days a week, but systems may occasionally be shut down for maintenance.

Cash withdrawals from ATMs are generally limited to the lesser of your account balance or \$800.00 per 24-hour period. If an ATM is off-line (the machine is not communicating with RCU), the limit may be lower. You can use ATMs within the networks in which we participate. Those networks are identified on the ATM card. The minimum withdrawal is usually \$20.00. Network ATMs that we do not own or operate may impose different transaction limits and may impose a surcharge.

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Foreign transactions: For transactions initiated in foreign currencies, the exchange rate between the transaction currency and the billing currency (U.S. dollars) will be: (a) a rate selected by STAR® from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate STAR itself receives; or (b) the government-mandated rate in effect for the applicable central processing date, in each instance, plus or minus any adjustment determined by RCU. Any fees associated with ATM transactions are disclosed in RCU's separate Cost Recovery and Fee Schedule.

Please carefully read the section below entitled TERMS APPLICABLE TO ALL EFTS. These terms apply to transactions made with ATM cards.

I. Debit Cards

A debit card bears the Visa® logo, but it is not a credit card. You can use your debit card and PIN at RCU and CO-OP ATM machines to make deposits, withdraw cash, transfer funds between accounts, and request balance information. You can also use your debit card to purchase goods and services at participating merchant locations in person, online, or by phone. Use of the debit card authorizes RCU to charge your checking account for the full amount of the transaction plus any applicable service fee at the time of transaction. There is no deferred payment as there is with a credit card. Debit card purchases may cause an overdraft if sufficient available funds are not available in the account.

Please carefully read the section below entitled TERMS APPLICABLE TO ALL EFTS. These terms apply to transactions made using a debit card.

J. How to Notify the Credit Union in the Event of an Unauthorized Transaction

If you believe your ATM card, Visa debit card, or PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, call us at 1 (800) 479-7927 or write to us at PO Box 6104, Santa Rosa, CA 95406-0104.

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

K. Refusal to Honor Card

RCU is not liable for the refusal or inability of any electronic terminal to honor the card or to complete a withdrawal from your account, or for their retention of the card. The Credit Union is also not responsible for the refusal of any merchant or financial institution to honor the card or for their retention of the card.

L. Automated Clearing House (ACH) Services

An ACH transfer is an electronic funds transfer (EFT), that you authorize, to allow funds to be transferred between your account at RCU and the account of a third party. ACH transfers can include automatic deposits into your account, such as direct deposit of payroll or retirement benefits and/or automatic payments out of your account to a third party/merchant. Payments that you authorize may be either recurring—such as a monthly loan payment—or a single payment authorization, such as a one-time loan payment authorized by phone. ACH transfers also include certain representations of checks returned for nonsufficient funds (RCK entries), electronic presentments by payees to collect money you owe (ARC entries), and electronic presentments of point-of-purchase items such as checks (POP entries). Your



rights and responsibilities with respect to RCK, ARC, and POP entries are all subject to the Electronic Funds Transfer Act and Federal Reserve Regulation E, as well as ACH rules. For RCK, POP, and ARC entries, the payee is required to notify you in writing that these items may be presented via the ACH system. For POP, ARC, and back office conversion (BOC) entries, the payee may convert a check you write to an electronic payment.

i. Available ACH Services

ACH is available for direct deposit to your RCU accounts and either recurring or one-time payments from your RCU accounts to third party payees such as other lenders. External transfer, a type of ACH service initiated by you using RCU online banking, may be used to make deposits or loan payments to RCU accounts from other institutions and to transfer funds from your RCU account to accounts at another institution. You must be on both accounts for this type of transfer to occur. ACH services are also available for telephone initiated, one-time payments to your RCU loan account from another financial institution. These services require you to speak in person with someone at RCU so that we may authenticate your request. ACH payments to others initiated by you via RCU online or RCU mobile banking may be either recurring or one-time.

ii. Limitations on ACH Services

For deposits, the payer (the person or entity that pays you money) must offer direct deposit. For payments, the creditor (the person or entity to whom you pay money) must be able to debit the payments via ACH transfer. ACH payments out of your regular savings and other savings or money market accounts are limited to six (6) per month. To make a payment, you must have sufficient available funds to cover the full transaction amount available in your account on the scheduled date.

iii. International ACH Transactions

International ACH transactions ("IAT"s) are ACH transactions involving a financial agency's office that is not located in the territorial jurisdiction of the United States. You understand that in the event an IAT transmitted to any of your accounts is identified and designated by RCU's screening criteria for review and examination under the Office of Foreign Assets Control (OFAC) rules and regulations, the settlement of such a transaction may be delayed or suspended pending RCU's review of the transaction and may be terminated under applicable OFAC rules. You agree that RCU may be required to place an indefinite hold on the funds covered by the IAT if the transaction is required to be terminated under OFAC rules. In the event an IAT is delayed or terminated, RCU will provide you with such notice as may be required under National Automated Clearing House Association (NACHA) rules, OFAC rules, or other applicable laws and regulations.

iv. Right to Stop ACH Transactions

If you set up an ACH origination transfer by form or via external transfer, you may request a stop payment. If you authorize the creditor to debit your account, a stop payment can be placed on the transaction. Stop payments may be based on a specific dollar amount (which will stop all ACH transactions for that dollar amount) or a stop payment may be made for a specific company name if you have previously had an ACH transaction with the company before. There is a fee for an ACH stop payment. See RCU's Cost Recovery and Fee Schedule for applicable fees.



To stop an ACH transaction, call us or write to us at the telephone number and address listed in the HOW TO CONTACT US section at the end of this disclosure, in time for us to receive your request at least three (3) business days before the payment is scheduled to occur. To prevent any future transfers, you should also notify your originator in writing to stop the charges. Refer to your contract with your originator for information on how to cancel the ACH transfer.

If you order us to stop a payment three (3) business days before it is scheduled to occur and we do not do so, we may be liable for your actual damages, not to exceed the amount of the payment.

v. Notice of Payments in Varying Amounts

If your regular payments vary in amount (such as utility bills), the person you are going to pay is responsible for notifying you of the amount at least ten (10) days in advance of the scheduled payment date.

vi. Right to Confirm Receipt of Deposits

If you receive regular deposits to your accounts via ACH, the entity making the payments is required to notify you when they send us the money. You have the right to call us to confirm whether they have been received, and you can review your deposits and withdrawals using the 24-hour telephone teller, RCU online, or RCU mobile banking at any time. If you wish to call and speak to a representative, please call us at the number listed under HOW TO CONTACT US at the end of this disclosure.

vii. Error Correction

If an ACH transfer is made to your account in error (for example, if your employer inadvertently makes a double deposit of your net pay or the IRS inadvertently makes a double deposit of your tax refund), you agree that we can reverse the erroneous payment without advance notice to you. Your statement will reflect any corrections that have been made. If an error correction results in a negative balance in your account, you agree to immediately restore your account to a positive balance upon our written demand. If you do not do so, you agree that our Right of Offset applies. If we cannot recover what you owe by exercising our Right of Offset, you agree that our right to recover collection costs applies.

11. TERMS APPLICABLE TO ALL EFTS

A. Responsibility for Transactions

- If you authorize us to issue a duplicate debit card or ATM card to someone, or if you give your card, PIN, or account number to another person, you are authorizing that person to withdraw funds and perform other transactions on your accounts covered by this agreement, regardless of any limits to which you and the authorized user have agreed. You are responsible for any transactions that person makes. We are not subject to agreements between you and other people limiting their use of your EFT devices. This rule also applies to any other EFT service that may become available in the future.
- You consent to the terms of this agreement by using any EFT access device (such as a debit card, ATM card, or the 24-hour telephone teller). You continue to be bound for all transactions resulting from the use of EFT devices until you give us written notice to deactivate the device. If it is a physical



device such as a plastic card, you must return it to us. It may take up to one (1) business day for us to deactivate EFT services if you notify us outside of business hours.

- Any person who applied for the ATM card, debit card, or PIN, or signs a debit card or ATM card, or uses an EFT device for transactions, is equally obligated (jointly and severally) with any other such person to meet the terms of this agreement.
 - You are also obligated to repay any charges resulting from the use of any EFT device by another person with your express or implied permission, whether or not the person stays within the limits of use you set for them.
 - Any persons who use an EFT device are also obligated to repay RCU for all charges incurred because of their use of the access device.
 - You remain bound to pay for charges under this agreement even though another person has been directed to pay the debt by an agreement or court order to which RCU is not a party, such as a divorce decree. A release from the obligation to pay amounts owed to us will be valid only if in writing and signed by an authorized RCU employee or if pursuant to a court order in an action to which RCU is a party.
- You understand and agree that if you or anyone you authorize to use an EFT device gives conflicting instructions on an electronic keypad (such as a computer or ATM keypad) or other written instruction, RCU will follow the instructions given on the electronic keypad.
 - You agree that if you or anyone acting with you uses an EFT device with fraudulent intent, we consider that transaction to have been authorized by you.
 - All EFTs are subject to RCU verification.

B. Documentation of Transactions

Each time you use an ATM card or debit card at an ATM, you will have the option to receive an acknowledgment receipt describing the transaction. You will also receive a receipt when you use your card at a point-of-sale terminal or if you use it for a signature transaction. Keep these receipts to update your records and verify your monthly statements on which these transactions will also appear. The 24-hour telephone teller, RCU online, and RCU mobile banking transactions are reflected only on your monthly statement. If you have Internet access, you can use RCU online or RCU mobile banking to review your account status at any time.

C. Excess Withdrawals

- Withdrawals or transfers must be backed with actual available funds in your RCU checking or savings accounts. If you have been approved for overdraft protection on your checking account, we will make a loan advance or transfer funds in \$100 increments from your designated overdraft protection account source sufficient to cover any negative account balance due to EFT withdrawals up to your available credit limit or the available balance in your account, depending on the overdraft protection source(s) you have. Overdraft protection is available only on checking accounts. Remember that regular savings and money market accounts designated as overdraft protection sources are subject to a limit of six (6) overdraft transfers per month. If you have authorized several overdraft protection sources and more than one has available funds or credit, RCU can decide which source to access to cover overdrafts. Unless you have overdraft protection, cash may not be dispensed if available funds in the accessible accounts are not sufficient. It is your responsibility to



not attempt to withdraw cash against deposits that have not yet cleared in the time permitted by the law and RCU procedures.

- At our sole option, we may also pay items that overdraw your checking account and assess the nonsufficient fund fee disclosed on the Cost Recovery and Fee Schedule. You must restore any amount by which your account is overdrawn within twenty (20) days of our demand. If you do not pay, you agree that we can cover the amount of the negative balance from any other RCU account in which you have an interest under our Right of Offset. If we cannot recover the amount exercising our Right of Offset, our right to recover collection cost applies. If you prefer that we return items that would overdraw your account rather than paying them, please notify RCU in writing. See the OVERDRAFT PAY ADVANTAGE section in this disclosure for more information.
- In consideration of and as a condition of our making overdraft protection from a line of credit available to you for EFTs initiated with a debit card or ATM card, you agree that if you do not repay funds borrowed on your line of credit according to your loan agreement, we can take funds from any RCU account in which you have an interest to recover all or part of your delinquent obligation. This consent applies to all accounts, including those that would otherwise lose special tax treatment if pledged as security for loans such as IRAs, unless prohibited by law or the applicable account agreement.
- In rare cases, system malfunction may result in your being able to electronically withdraw funds from an account that does not have sufficient funds to cover the transaction and on which you do not have overdraft protection. If this happens, you are responsible for restoring any amount by which your account is overdrawn. If you do not, our Right of Offset and our right to recover collection costs apply.

12. UNAUTHORIZED TRANSACTIONS - ALL EFTS

A. Your Liability for Unauthorized Use

Tell us AT ONCE if you believe that any device or code that could be used to initiate EFTs on your account has been lost, stolen, or otherwise made available to an unauthorized person, or that someone has transferred or may transfer money from your account without your permission. Please refer to the HOW TO CONTACT US section at the end of this disclosure for how to notify us. Telephoning is the best way to keep losses down. You could lose all the money in your account, plus your maximum overdraft line of credit if you fail to promptly report unauthorized ATM card, 24-hour telephone teller, ACH or RCU online use, or certain unauthorized use of a debit card.

If you believe your Visa debit card, ATM card, 24-hour telephone teller, RCU online, or RCU mobile banking PIN has been lost or stolen or otherwise made available to an unauthorized person, and you **tell us within two (2) business days** after you learn of the loss or theft, you will have no liability for unauthorized transactions.

However, if you **DO NOT tell us within two (2) business days** after you learn of the loss or the theft of your card and/or the loss, theft, or other unauthorized dissemination of your PIN, and we can prove we could have stopped someone from using your card and/or PIN and/or password without your permission, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, tell us at once. **If you do not tell us within sixty (60) days after** the statement was mailed to you, you may not get back any money you lost

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after sixty (60) days, if we can prove that we could have stopped someone from taking the money if you had told us in time. That means you could lose all the money in your account plus your maximum overdraft line of credit.

If a special circumstance (such as extended travel or a hospital stay) prevented you from telling us, we may extend the time periods. Please refer to the separate DEBIT CARD section for rules about unauthorized use of your debit card.

Authorized Users – Please remember, any person who receives an additional access device (card, card PIN or 24-hour telephone teller, RCU online or RCU mobile banking PIN), or whom you permit (either by express or implied permission) to use your access device would be able to transact on your account including making fraudulent deposits and withdrawing all of the money in your account. We refer to such persons as authorized users, and you agree that all authorized users may withdraw funds from your accounts with the access device. For example, if you give your friend your debit card in May and tell her to buy groceries, and she obtains your card in November and uses it to get cash out of an ATM, the November transaction is considered authorized by you. The only way you can stop an authorized user from withdrawing funds from your accounts is to notify RCU to cancel your access device. You remain liable for any authorized use of your EFT devices that occurs before you tell RCU to cancel them and RCU has a reasonable opportunity to act on that request.

B. RCU'S Liability

If we do not properly complete an EFT transaction according to our agreement with you, we will be liable for your direct losses or damages. However, there are some exceptions.

- We will not be liable in the following situations:
 - Through no fault of ours, your account does not contain enough money or you don't have available credit to make the transaction.
 - The ATM where you are making the transaction does not have enough cash.
 - The equipment was not working properly and you knew about the breakdown when you started the transaction.
 - The money in your account is subject to legal process or other claim.
 - Your ATM card, debit card, or PIN has been reported lost, stolen, or missing and we have blocked the account.
 - Circumstances beyond our control, such as fire, flood, electrical failure, or malfunction of the central data processing facility prevent the completion of the transaction despite our reasonable precautions, or there are other lawful exceptions established by RCU and you are given proper advance notice of them.
- In no event will RCU be liable for consequential, indirect, or exemplary costs or damages. Our liability is limited to the amount of the transaction.
- RCU will carry out instructions given to us electronically, whether through the ATM, the 24-hour telephone teller, RCU online, RCU mobile banking, ACH, a point-of-sale (POS) terminal, or in writing, such as through a pre-authorized transfer instruction or debit card signature transaction. We will not incur liability for doing so in a reasonable manner. You agree to indemnify and hold RCU harmless from all costs, claims, damage, or liability that we sustain as a result of carrying out, in a



reasonable manner, instructions received from you or any authorized user through an ATM, POS terminal, signature transaction, or any other EFT service that is now available or becomes available in the future.

- RCU may arrange for the availability of ATMs at various locations with access during non-business hours for the convenience of its Members. However, ATM sites are not subject to our control. You assume the risk of using them since RCU does not in any way warrant the security or safety of any location. RCU is not responsible for wrongful acts committed by anyone who is not an authorized agent or employee of RCU regarding your use of ATMs. RCU will not be liable for consequential damage that you claim results from our failure to complete a transaction.
- If you damage or vandalize an RCU ATM, you may be subject to the cost and labor to fix it.
- Be cautious and aware of your surroundings when using ATMs. Avoid using ATMs alone at night or at sites that appear to have the potential for assault or robbery. Prepare your transaction items, such as endorsing your checks, before approaching the ATM. After making a withdrawal, put your money away and leave the site as soon as you have completed the transaction. Don't key your access code into the machine when someone is in a position to see the number.

C. Confidentiality

With respect to EFTs, in the ordinary course of business, RCU will disclose information to a third party about your account or the transfers you make: (1) when necessary to complete transfers; (2) to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; (3) to comply with government agency or court orders; or (4) if you give us your written permission. Please refer to RCU's privacy disclosure and to the section titled PRIVACY AND DISCLOSURE OF INFORMATION at the beginning of this disclosure for more detailed information about your right to privacy with respect to non-public personal and financial information we have about you.

D. Change in Terms - Cancellation

- RCU may change the terms of the EFT section of this disclosure, including the types of EFTs available, by mailing or delivering a written notice or amended disclosure to you at your last-known address on our records for the account. When we change the terms of EFTs, we will give you at least twenty-one (21) days' written notice where required by applicable law. You agree that we may immediately terminate your EFT services without prior notice if any of the following occur: (a) you (or any authorized user of your ATM card, debit card, or PIN) breach this or any other agreement between us (including loan agreements); (b) we have reason to believe that there has been or may be an unauthorized use of your debit or ATM card, or PIN; (c) there are conflicting claims to the funds; (d) you or any authorized signer on your account requests us to do so; (e) you withdraw funds at a time when funds are not available in your RCU accounts accessed via EFT and you do not have an available source of overdraft protection; (f) it is reasonably necessary to protect the security of RCU or your accounts, or (g) you deposit non-negotiable items at ATMs.
- Your debit card or ATM card are the property of RCU and you agree to return them to us upon request.
- If your repeated negligence in handling your EFT devices results in losses to RCU, we can revoke your EFT privileges.



E. Delayed Availability of Deposits

Availability of funds deposited at ATMs may be delayed. Please refer to the FUNDS AVAILABILITY POLICY section. You are responsible for not attempting to use EFT devices to withdraw funds before they become available.

F. Additional Terms

1. If an ATM is unable to complete a transaction three (3) times in a row, usually because of the failure to key in the proper PIN, for your protection, the debit card or ATM card may be retained by the ATM.
2. Business days are Monday through Friday. RCU may be open to provide limited services on other days, but we do not consider those days "business days" as that term is used in this disclosure.

G. In Case of Errors or Questions About Your Electronic Transfers

If you think that an electronic transfer shown on your statement is wrong, or if you need more information about a transfer, contact us at the telephone number or address listed under the HOW TO CONTACT US section at the end of this disclosure. Please provide us all the information requested under the section entitled WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY at the end of this disclosure.

We must hear from you no later than **sixty (60) days** after we sent you the **FIRST** statement on which the error or problem appeared. If you tell us verbally, we may require that you send us your complaint or question in writing **within ten (10) business days**. We will tell you the results of our investigation **within ten (10) business days (twenty [20] business days for new accounts)** after we hear from you and will correct any error promptly.

If we need more time, however, we may take **up to forty-five (45) days (ninety [90] days for POS transactions, transactions involving foreign countries, or new accounts)** to investigate your complaint or question. If we decide to do this, we will re-credit your account **within ten (10) business days (twenty [20] business days for new accounts)** for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation. If your complaint or question relates to a claim of unauthorized use of your Visa debit card and your account is not new, we will provisionally re-credit your account within **five (5) business days**. A "new account" is one open thirty (30) days or less.

If we ask you to put your complaint or question in writing and we do not receive it **within ten (10) business days**, we may not re-credit your account.

We will send you a written explanation of the results of our investigation **within three (3) business days** after we finish our investigation. You may ask for copies of the documents that we used in our investigation. If we decide to reverse a provisional credit, we will notify you, and will pay any items that overdraw your account for **five (5) business days** after we send you this notice without imposing an overdraft fee, but only to the extent the overdrafts are equal to or less than the amount of the provisional credit we deducted from your account. If any item overdraws your account by more than the amount of the provisional credit, you will be charged an overdraft fee. You agree to immediately restore to RCU the amount of any overdraft on your accounts.



13. GOVERNING LAW AND DISPUTE RESOLUTION

This agreement will be governed by and interpreted in accordance with federal law and regulation, and to the extent that there is no applicable federal law or regulation, by the laws of the State of California, without giving effect to its conflict of laws provisions of your actual state or country of residence. To the extent permitted by applicable law, you agree that any legal action regarding this agreement shall be brought in the county in which RCU's headquarters are located.

14. ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL

Please read this provision carefully. It affects your rights and may have a substantial impact on how legal claims you and we have against each other are resolved if you do not opt-out as permitted below.

A. Arbitration

To the extent permitted by the Federal Arbitration Act (the "FAA") and any other applicable federal law, binding arbitration may be elected by either party with respect to any past, present, or future claim or controversy arising out of or relating to this Agreement and/or a Credit Union account, even if that party has already initiated a lawsuit with respect to a different claim. Arbitration is elected by giving a written demand for arbitration to the other party, by filing a motion to compel arbitration in court, or by initiating arbitration against the other party. You and we agree, upon such written demand, motion or initiation, to submit to, and that such claim shall be settled by, binding arbitration.

The arbitration will be subject to the rules of the American Arbitration Association ("AAA") in effect at the time the arbitration is initiated, or such similar rules as may be adopted by AAA. Neither party will demand the arbitration of an action filed in small claims court, or its state's equivalent court, for any claim or dispute within the scope of the small claims court's jurisdiction. But if a claim is transferred, removed, or appealed to a different court, such claim shall be subject to arbitration.

This arbitration provision shall be interpreted and enforced in accordance with the FAA by a single arbitrator appointed by the AAA. The arbitrator shall be an attorney or retired judge with experience and knowledge regarding financial institutions and transactions.

We will advance and/or pay, as applicable, the fees and costs of the arbitration pursuant to this Agreement: (1) if applicable law requires us to; (2) if you prevail in the arbitration; or (3) if we must advance such fees and costs in order for this arbitration provision to be enforced, subject to the arbitrator's award, if any, of arbitration fees and costs to the prevailing party.

In each case, each party will pay for its own attorney fees and costs, if any, for prosecuting and defending claims, except that the arbitrator may award the prevailing party all its attorney fees and costs, including expert witness fees.

Arbitration hearings will be held in a location reasonably convenient to your residence, or at another location if mutually agreed. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator. Only a court, and not an arbitrator, however, shall determine the validity and effect of the class action and jury trial waivers



below. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law must be followed by the arbitrator, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. The arbitrator's decision shall be final and binding and may be entered in any state or federal court having jurisdiction. The arbitrator may award any remedy provided by the substantive law that would apply if the action were pending in court. For more details, check the American Arbitration Association's website, adr.org, OR call the American Arbitration Association's Customer Service telephone number at 1 (800) 778-7879.

B. Waiver of Class Action and Jury Trial

WE EACH AGREE THAT ANY AND ALL DISPUTES, WHETHER SUBMITTED TO ARBITRATION OR DECIDED BY A COURT, MUST BE BROUGHT IN THE PARTY'S INDIVIDUAL CAPACITY AND NOT AS A CLASS ACTION PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. YOU AGREE TO WAIVE THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR LITIGATE ON A CLASS-WIDE BASIS. YOU AGREE THAT YOU HAVE EXPRESSLY AND KNOWINGLY WAIVED THESE RIGHTS. YOU AND THE CREDIT UNION HEREBY VOLUNTARILY AND KNOWINGLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER YOU OR THE CREDIT UNION WHETHER THE DISPUTE, CONTROVERSY OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT, TO THE FULLEST EXTENT ALLOWED BY LAW.

C. Your Right to Opt-Out; Arbitration and Waiver of Class Action and Jury Trial

IF YOU DO NOT WANT THIS ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL PROVISION TO APPLY, YOU MAY OPT-OUT BY SENDING A WRITTEN REQUEST TO THE CREDIT UNION POSTMARKED WITHIN SIXTY (60) DAYS OF YOUR RECEIPT OF THIS AGREEMENT. THE OPT-OUT MUST INCLUDE YOUR FULL NAME, ADDRESS, TELEPHONE NUMBER, ACCOUNT NUMBER AND PERSONAL SIGNATURE, AND MUST BE MAILED TO REDWOOD CREDIT UNION, PO BOX 6104, SANTA ROSA, CA 95406. OPTING OUT WILL NOT TERMINATE THIS AGREEMENT OR AFFECT ANY OTHER RIGHTS AND OBLIGATIONS YOU OR THE CREDIT UNION HAVE UNDER THIS AGREEMENT.

This arbitration provision does not preclude you from bringing issues regarding your accounts to the attention of any federal, state, or local agency or entity. Such agency or entity may be able to seek relief on your behalf.

Nothing in this arbitration provision shall limit your or our right, whether before, during, or after the pendency of any arbitration proceeding, to exercise any self-help remedies, such as set-off or repossession and sale of collateral, or to obtain provisional remedies (including but not limited to, injunctive relief or interpleader relief). The exercise of such rights will not constitute a waiver of the right to submit any dispute to arbitration.

This Arbitration and Waiver of Class Action and Jury Trial provision shall survive your death, the closing of any of your accounts, the termination of any of your business or transaction(s) with us, and any bankruptcy filing to the extent consistent with applicable bankruptcy law, and shall also survive as to any claim within the scope of this Agreement.



If any term or provision of this Arbitration and Waiver of Class Action and Jury Trial provision is held to be invalid or unenforceable, the remaining provisions shall be enforced without regard to the invalid or unenforceable term or provision.

15. HOW TO CONTACT US

You may contact RCU as follows:

- Email: Go to redwoodcu.org and click "Contact Us"
- Phone: (707) 545-4000 or 1 (800) 479-7928
- Mail: Redwood Credit Union, PO Box 6104, Santa Rosa, CA 95406

16. WHAT TO TELL US IN CASE OF ANY ERROR OR INQUIRY

Please provide us the following information so that we may address any error or inquiry with the highest level of service and responsiveness:

- Your name.
- Member (account) number.
- Describe the error or the transfer about which you are unsure.
- Explain, as clearly as you can, why you believe there is an error.
- The dollar amount of the error.
- The date of the error in question.
- Your daytime telephone number.