

## FUNDS AVAILABILITY DISCLOSURE

This policy statement applies to all accounts. Our policy for established members is to make funds from your deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to draft against your account. Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit. 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 close of business on a business day, we will consider that day to be the day of your deposit. If you make a deposit at an ATM before 3:00 PM on a business day, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 3:00 PM or on a day we are not open, we will consider that the deposit was made on the next business day.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of collected funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

## IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

## ESSENTIAL PRIVACY POLICY

Essential Federal Credit Union recognizes that our relationship with our members is based on trust. We have an obligation to protect our members' privacy and to hold their personal information in the strictest confidence. In accordance with Privacy Regulations, Essential has adopted the following privacy policy:

- We collect non-public personal information from the following sources:
  - Information we receive from you on applications or other forms
  - Information about your transactions with us, our affiliates or others, and
  - Information we receive from a consumer reporting agency
- We may use this information for internal purposes, to process member requests, or to contact our members with additional information about the credit union and the services we offer.
- We do not disclose any non-public personal information about our members and former members to anyone, except as permitted by law.
- We restrict access to non-public personal information to those employees who need to know that information to provide products and services to our members. Our employees are trained in the importance of maintaining confidentiality and member privacy.
- We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard our members' non-public personal information.

Non-public personal information means information about you collected by Essential in connection with providing a financial product or service to you. Non-public personal information does not include information that is available from public sources, such as telephone directories and government records.

Children's Online Privacy Protection Act (COPPA):

- Essential does have a portion of its web site directed to children but does not collect any personal information from children under the age of 13.
- Essential does not collect personal information for a child's online participation in a game, prize offer, or any other activity.
- Essential has established and maintains reasonable procedures to protect the confidentiality, security, and integrity of all member information.

## THE U.S. PATRIOT ACT & YOU

What is the U.S. Patriot Act?

The U.S. Patriot Act was enacted in 2001 in response to the 9/11 terrorist acts. The intent is for banks, credit unions and other financial institutions to verify the identity of all people who do business with them. It has become clear that terrorist groups have used our financial institutions to funnel money to commit crimes.

What information does Essential obtain and why?

To comply with the USA Patriot Act, Essential Federal Credit Union is required to verify the identity of members applying for and opening new accounts or services with the credit union. Information we are required to obtain includes name, mailing and residence address, tax identification number,

date of birth and a copy of a government issued photo ID. Additional information may also be gathered depending on the type of account applied for or opened. Identification and information on existing members will be gathered as they open or use additional services offered by the credit union. The Act requires us to maintain records of the identification verification and to periodically update this information. Confidentiality of the information gathered and used by the credit union will be maintained as required under the Privacy Act.

How does this affect me?

The Act was passed in an effort to improve public safety and should not directly affect most people. We will, of course, ask to verify your identification occasionally. This is a good safety precaution for you as a member regardless because of the increase of identify theft over the past several years.

What does Essential do with my identification?

We are required to keep proof that we have verified your identification. We will keep a record to show we are complying with the Patriot Act. Our member base is periodically checked against a list of known or suspected terrorists. This act should have little or no effect on law-abiding citizens.

We hope you'll understand the need for us to comply with the U.S. Patriot Act to help guarantee a more secure country, making certain our financial institutions are not inadvertently aiding people or groups who wish us harm.

## EQUAL HOUSING LENDER NOTICE

Equal Housing Lender Notice of Nondiscrimination Compliance Under the federal fair housing act, it is illegal, on the basis of race, color, national origin, ethnicity, religion, sex, handicap, or familial status (having children under the age of 18), to: deny a loan for the purpose of purchasing, constructing, improving, repairing or maintaining a dwelling, or denying any loan secured by a dwelling; or discrimination in fixing the amount, interest rate, duration, application procedures or other terms or conditions of such a loan, or in appraising property.

If you believe you have been discriminated against, please send complaint to: Assistant Secretary for Fair Housing and Equal Opportunity Department of Housing and Urban Development, Washington, D.C. 20410, For: Processing under the Fair Housing Act and to National Credit Union Administration, Office of Examination and Insurance, 1775 Duke Street, Alexandria, VA 22314-3428, For: Processing under NCUA Regulations.

## THIS CREDIT UNION IS FEDERALLY INSURED

The National Credit Union Administration (NCUA), a U.S. Government agency, federally insures all deposits in Essential Federal Credit Union. The National Credit Union Share Insurance Fund insures deposits to at least \$250,000 for each account owner listed on an account. IRA deposits are insured separately up to \$250,000 for each account owner listed on an account. It is one of the strongest federal deposit insurance programs in the United States. For more information, please visit [www.ncua.gov](http://www.ncua.gov).

## ESSENTIAL TERMS & CONDITIONS DISCLOSURES

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules, which control your account(s) with us. Please read this carefully. If you sign the signature card or open or continue to have your account with us, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us. This agreement is subject to applicable federal laws and the laws of the state of Louisiana (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

By signing the membership agreements disclosure section and/or opening an account with Essential, you authorize Essential Federal Credit Union to check your credit history including verification of information requested. Copies of your paycheck receipt may be required for certain services. Your agreement and signature also authorizes Essential to obtain information about you and to give credit information to others (see the attached Privacy Policy for details). A negative credit history may disqualify you from some services. All funds advanced to you will be subject to the terms and conditions of Essential's Credit Card, Electronic Banking, Checking, ATM and Debit Card agreements.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. As used in this document the words "we," "our," "us," and Essential mean Essential Federal Credit Union and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw or exercise control over the funds in the account. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional reasonable charges for services you request, which are not covered by this agreement. Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our regular business hours on a business day/banking day, as if initiated on the next following open business day.

**WITHDRAWALS** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs in the space designated for signatures on the signature card may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person signing the signature card to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of the stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts for which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. We may require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account other than a time deposit, or from any other savings account as defined by Regulation D. Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your notice of penalty for early withdrawal.



**OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION** - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

**Individual Account** - Is an account in the name of one person.

**Joint Account - With Survivorship (And Not As Tenants In Common)** - Is an account in the name of two or more persons. Each of you intends that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

**Joint Account - No Survivorship (As Tenants In Common)** - Is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of signatures" necessary for withdrawal.

**IDENTIFICATION OF ACCOUNT HOLDER** - Essential requires that all new members present positive identification before opening an account. Verification of the member's name, address, date of birth and residency will be required. Some type of officially issued identification such as a Social Security number, driver's license or a taxpayer ID must be presented before becoming a member. A parent or legal guardian will be required to present proper identification for minors (under the age of 18) who wish to open an account.

**OWNERSHIP OF CARDS** - Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. The card may be repossessed at any time at our discretion without demand or notice. You cannot transfer your card or account to another person.

**HONORING THE CARD** - Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

**BUSINESS ACCOUNTS** - Earnings in the form of interest, dividends or credits will be paid only on collected funds, unless otherwise provided by law or our policy. We may require the governing body of the legal entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the legal entity. For more detailed information, refer to Essential's Business Accounts Terms and Agreements.

**STOP PAYMENTS** - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the check number and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. A release of the stop-payment request may be made only by the person who initiated the stop-payment order. Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item). You will be charged a fee (as per fee schedule) for each stop-payment order. Please refer to the stop-payment form for detail explanation on stop-payments.

**OVERDRAFT PROTECTION** - We are not obligated to pay a presented item that exceeds your Checking, Share or deposit account balance. We may, however, pay the presented item and charge the amount of an overdraft (plus an overdraft fee) to any other share or deposit account from which you are entitled to withdraw funds.

**Overdraft Protection** - Overdraft Protection may be provided at the time you establish a Checking account. Unless you request otherwise, funds will be automatically transferred from your Line of Credit first (if you requested this in advance), then your Savings account to your Checking account, to cover presented items that exceed your Checking account balance, subject to the limitations of Regulation D, specified in other sections of this Agreement. If you would prefer that funds be transferred from another deposit account to cover overdrafts, you must request it in writing to Essential. A balance of \$5 must remain in your Share Savings Account at all times. Any funds in your Savings, Money Markets or Christmas Club Accounts may be transferred for Overdraft Protection with the exception of your \$5 account minimum. These transactions are limited by Regulation D requirements. We are not obligated to make any loan advances to the Checking account if the outstanding overdraft balance will exceed the established credit limit. In this case, you will be responsible for immediate repayment at the time Essential honors the presented item, unless you are enrolled in Essential's Courtesy Pay program.

**Safe Pay** - The Safe Pay Program is available to members who meet certain minimum credit requirements and have at least one of the following:

1. A Money Market Account
2. An Interest Bearing Checking account
3. Direct Deposit to any account
5. An account open for at least 2 years and in good standing
6. Combined balance over \$5,000 in Deposits

You must opt in Safe Pay in order for Safe Pay to be included on your account(s). Under the Safe Pay program, the Credit Union will advance the member the amount to pay a check returned for Non Sufficient Funds. The member is then allowed 30 days to repay the Credit Union. There will be a per item fee (\$ as per fee schedule) each time this service is used. The normal NSF fee (\$ as per fee schedule) will apply each time the Courtesy Pay service is used. Essential will allow a negative balance up to \$500. Checks that

would take the member's balance below negative \$500.00 will be returned and charged the NSF fee. If a member also has Overdraft Protection, the designated "protection" accounts (such as a savings or money market) will be exhausted before the Safe Pay program takes effect. Members have the right revoke the consent of Safe Pay at any time.

**Applicable Transactions** - Safe Pay fees may be imposed when overdrafts are caused by the following transactions: Check (including payments made through Online Banking) Debit Card, and ACH payments.

**Disclosure of Fees** - The total amount of fees incurred by using the Safe Pay service will be disclosed on the member's monthly statement for both the statement period month and year-to-date.

**Revocation of Service** - Essential is not obligated to pay any item and may revoke the member's Safe Pay privileges at any time and for any reason without notification.

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change any term of this agreement. Rules governing changes in interest rates are provided separately. For other changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

**STATEMENTS** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer. You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations, forgeries or any other errors in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care.

**ACCOUNT TRANSFER** - No Essential account may be transferred to another person or entity.

**DIRECT DEPOSITS** - If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**SETOFF** - We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt you owe us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note. This right of setoff does not apply to this account if: (a) it is an IRA or other tax deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

**AUTHORIZED SIGNER** (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

**RESTRICTIVE LEGENDS** - We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00."

**ACH AND WIRE TRANSFERS** - Essential may give you credit for automated clearing house (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree, if Essential does not receive the final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry.

You agree to be bound by automated clearinghouse association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**CREDIT REPORTS** - In conjunction with establishment of any account(s) with us, you authorize us to ob-

tain any credit reports we deem necessary. If an account is established and a credit report thereafter demonstrates derogatory credit existed at the time of application, you understand that we, at our option, may close your account(s). We may, at any time, request a Dunn & Bradstreet and/or a credit report from a consumer reporting agency in connection with your account(s). We may provide information about your transactions or experiences with you to any consumer reporting agency, or any third party who we reasonably believe is conducting legitimate credit inquiries, subject to all applicable financial privacy or other laws or regulations restricting such inquiries.

**ELECTRONIC/DIGITAL SIGNATURES** - Any contract, transaction, correspondence for which you provide an electronic signature has the same legal force and effect as your manual signature.

**NOTICES** - Any written notice you give to us is effective when it is actually received by us. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any one account owner is considered notice to all owners of the account.

**ACCOUNT RESTRICTIONS** - You understand and agree that we will not monitor your account for any requested two party signature restriction and you do hereby hold us harmless for all loss and liability, whether direct or indirect, incurred by you for payment by us of any item or withdrawal of any sums based upon only one of the required signatures.

**PROPER IDENTIFICATION** - We require all signers who open an account to provide photo identification (Drivers License, school ID, etc.) or a certified United States Taxpayer Identification Number or validation as to exempt foreign status.

**NCUA INSURANCE** - Funds in your account(s) with us are insured by the National Credit Union Administration (NCUA) and backed by the full faith and credit of the United States. The amount of insurance coverage you have depends on the number of accounts you have with us and the ownership of those accounts. (For example, if you have one individual account with us, it will be insured to \$250,000.) If you want additional information, you may ask us or contact the local office of the NCUA.

**SUBSTITUTE CHECK POLICY**

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other laws with respect to those transactions.

**What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

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

If you use this procedure, you may receive up to (amount, not lower than \$2,500) of your refund (plus interest if your account earns interest) within (number of days, not more than 10) business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than (number of days, not more than 45) calendar days after we received your claim. We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**How Do I Make a Claim for a Refund?** If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account. You must contact us within (number of days, not less than 40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

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