

TERMS AND CONDITIONS OF YOUR ACCOUNT

IMPORTANT ACCOUNT OPENING INFORMATION - Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances, we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

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 Virginia (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.

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," and "us" mean the financial institution 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.

BYLAWS - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

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 directly 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 "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next following business day that we are open.

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 indorse 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

Important Account Information for Our Members

Terms and Conditions Electronic Transfers Funds Availability Truth in Savings



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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.

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 - An account in the name of one person.

Joint Account - An account owned by two or more persons.

1. Rights of Survivorship - For a joint owner (multiple party) account, the existence or non-existence of survivorship rights is established by designation on the Membership Application. If the designation is Joint Account - With Survivorship, then, on the death of an owner of the account, the deceased owner's interest in the account passes to the surviving owner(s) of the account. If the designation is Joint Account - No Survivorship, then, on the death of an owner of the account, the deceased owner's interest in the account passes as a part of that owner's estate under the deceased owner's will, trust, or by intestacy. If no designation is made, or if the designation is unclear, a Joint Account will include rights of survivorship. A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if the surviving owner did not consent to it.

Payable on Death accounts with joint owners must be designated as "with survivorship".

2. Control of Joint Account - Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters, except that a joint owner may not close the Regular Share Account or remove the membership share without the express written authorization of the Primary Member. A joint owner may be removed from the account only at the express written authorization of that joint owner. Each owner guarantees the signature of any other owner(s). Any owner may withdraw funds, stop payment on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction.

We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require court order or written consent from all owners to act.

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

Revocable Trust or Pay-On-Death Account - If two or more of you create this type of account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, beneficiaries will own this account in equal shares, without right of survivorship. The person(s) creating either of these account types may: (1) change beneficiaries, (2) change account types, and (3) withdraw account funds at any time.

GUARDIAN OR CUSTODIAL ACCOUNT - An account maintained by a legal custodian or representative payee for the benefit of a member who is legally deemed unfit to act on his/her own behalf. Any person may act as a custodian or representative payee, however, the minor or incompetent individual for whom the custodian acts must meet all requirements for membership.

Custodian (UTMA) Account - Under the Uniform Transfers to Minors Act, UTMA, a Custodian Account is an account established by up to two adults for one minor by way of an irrevocable gift. Each account is controlled solely by the Custodian(s) who is (are) responsible to direct the funds in a manner beneficial to the minor. The Credit Union will not be responsible for determining if a person purporting to act as Custodian has been duly designated, nor are we obligated to inquire into the validity or propriety under the UTMA of any act of or instrument or instructions executed by such person, nor are we bound to see to the application by such person of any money paid or delivered to him/her. Custodian Accounts are available to minors up to the age of 18 or 21 years, at the option of the Custodian. Once the minor member reaches the designated age, the Custodian must turn over any and all funds to the member. Unless otherwise specified, each joint Custodian shall have full power and authority to act alone with respect to custodial property.

ORGANIZATION ACCOUNT - 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.

INACTIVE AND ABANDONED ACCOUNTS - Inactive accounts are defined as those accounts whose owners have neither transacted monetary activity (except for dividend postings) nor contacted the Credit Union concerning their accounts. Those accounts which remain inactive for a period of 1 year and more will be charged a monthly fee, or the balance of the account, whichever is less. Refer to our Fee Schedule for the amount of the monthly fee. (Exception: Fee will not be charged for Custodian Accounts or member accounts with Individual Retirement Accounts, regardless of inactive status.)

It is also the policy of the Credit Union to turn over to the state government, as required by law, balances of all accounts considered abandoned property. Those accounts, including Custodian and Individual Retirement Accounts, remaining inactive for a period of five years from the time they become payable, are defined as abandoned property.

According to the provisions of the Federal Credit Union Act and SDFCU's Bylaws, members may be expelled due to non-participation in Credit Union activities. Members may be expelled for this reason where member's share balances are depleted by the assessment of the inactive account fee and where members' accounts become abandoned property and are turned over to the government.

TERMINATION OF MEMBERSHIP - In exercising the Credit Union's statutory lien against a member's shares in the event of a defaulted loan or overdrawn account, the member's shares may become depleted. At that time, the member will be notified that his membership in the Credit Union may be terminated. In accordance with this Credit Union's Bylaws, a member shall have 6 months to repay any losses and other costs owed to the Credit Union and increase his share balance to at least the par value of one share to regain his membership.

REDUCTION OF SERVICES - In the event the Credit Union does not exercise its statutory lien, a member who has defaulted on a loan or overdraws an account at the Credit Union will be restricted to voting in annual elections and maintaining a Regular Share Account. In such cases, members will be notified that all other services will be denied to them. Members denied services under this Policy may have full benefits of membership restored upon repayment of all defaulted loans, overdraws, and costs caused by the member. A member who defaults to bankruptcy may receive services previously denied should the member reaffirm a debt prior to receiving his discharge in bankruptcy.

According to this Credit Union's Bylaws, withdrawal from the field of membership shall not operate to relieve a member of any liability to this Credit Union.

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. **24-hour notice is required to assure proper stop payment.** To be effective, your stop payment order must precisely identify the number, date 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 stop payment must be in writing. In this instance you agree to hold the Credit Union harmless for the amount of the item, as well as all expenses incurred by us through refusing payment of the item.

You further agree that the Credit Union will not be liable for payment contrary to a stop payment request unless payment is caused by the Credit Union's negligence and causes actual loss to you.

STALE-DATED CHECKS - We are not obligated to, but may at our option, pay a check, other than a certified check, presented for payment more than six months after its date. If you do not want us to pay a stale-dated check, you must place a stop-payment order on the check in the manner we have described elsewhere.

PLEDGES - Unless we agree otherwise in writing, each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in Virginia. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house 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 do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. 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.

The Credit Union has established certain security procedures in connection with wire transfers. We encourage you to choose a password for accessing your account by telephone. Written wire transfer requests may be subject to signature and/or password verification.

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.

RIGHT TO REPAYMENT OF INDEBTEDNESS - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt owed to us now or in the future, by any of you having the right of

withdrawal, to the extent of such person's 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 charge the account, including any balance the due date for which we properly accelerate under the note.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account 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 arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

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."

PAYMENT ORDER OF ITEMS - The law permits us to pay items (such as checks or drafts) drawn on your account in any order. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write. When processing items drawn on your account, our policy is to pay them in the order that they are received. The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. There is no policy that is favorable in every instance. If the smallest items are paid first, you may have fewer NSF or overdraft fees, but the largest, and perhaps more important items (such as rent or mortgage payments) might not be paid. If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item (NSF). The amounts of the overdraft and NSF fees are disclosed elsewhere. By paying items in the order that we receive them, we think our policy attains a reasonable balance between minimizing additional cost to you and paying your more important items. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or drafts without sufficient funds and incurring the resulting fees.

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. A fee may be charged for a staff-assisted telephone transfer. 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.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

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. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

AMENDMENTS AND TERMINATION - We may change our bylaws and any term of this agreement. Rules governing changes in 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 close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. At our option, we may suspend your rights to member services if you violate the terms of this agreement. You must keep us informed of your current address at all times. Notice from us to any one of you is notice to all of you.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your share checking, regular share, or money management account(s).
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your share checking, regular share", or money management" account(s).

*Subject to limitations - see Truth-in-Savings Disclosure.

- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Account24 Telephone Transfers - types of transfers - You may access your account by telephone 24 hours a day, 7 days a week at 703-706-5172 or 1-800-296-8882 ext. 5172 using your personal identification number (PIN), a touch tone phone, and your account number(s), to:

- transfer funds between share checking, regular share, loan or money management account(s)
- make payments to share checking, regular share, loan or money management account(s)
- get information about:
 - the account balance of share checking, regular share, loan or money management account(s)

ATM Transfers - types of transfers, dollar limitations, and charges - You may access your account(s) by ATM using your Visa® Check Card and personal identification number (PIN), to:

- make deposits to share checking, regular share or money management account(s) with a Visa® Check Card
- get cash withdrawals from share checking, regular share or money management account(s) with a Visa® Check Card
 - you may withdraw no more than \$810 per day
 - there can be a charge of \$2.00 per withdrawal at ATMs we do not own or operate
- transfer funds between share checking, regular share, loan or money management account(s) with a Visa® Check Card
- transfer funds from line-of-credit to share account(s) with a Visa® Check Card
- make payments from share to loan account(s) with us
- get information about:
 - the account balance of your share checking, regular share, loan, or money management account(s)
 - get cash advances from lines-of-credit

Some of these services may not be available at all terminals.

Types of Visa® Check Card Point-of-Sale Transactions - You may access your share checking account to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions - frequency and dollar limitations - Using your card:

- you may make no more than 20 transactions per day
 - there is a \$2,500 daily dollar limit for point-of-sale transactions when a P.I.N. is used, which also includes online purchases and purchases over the phone.

Currency Conversion. When you use your Visa® Check Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

All Visa Check Card transactions made in foreign countries and transactions made with a merchant located outside of the U.S. will be charged a fee of 1%. This fee will be reflected separately from the transaction amount on your statement. Transactions originating on U.S. military bases, embassies, consulates and territories may be excluded at the merchant's discretion.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Non-Visa Debit Transaction Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit Network* (a non-Visa network) without using a PIN.

The non-Visa debit network(s) for which such transactions are enabled are: STAR Network.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on the STAR Network include initiating a payment directly with the biller, possibly via telephone, Internet, or kiosk locations. STAR Network billers are required to display the STAR logo. STAR Network billers must also allow you to choose how your payment is directed. Thus, you could see the STAR logo and choose to direct your payment through the STAR Network. In addition, STAR Bill Payments are not authenticated with a PIN; instead the biller authenticates your identity using known information derived from an existing relationship with you.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

SDFCU ONLINE Computer Transfers - types of transfers - You may access your account(s) by computer using your personal identification number (PIN), your password, and internet access to sdfcu.org, to:

- transfer funds between share checking, regular share, loan or money management accounts
- make payments from share accounts to loan accounts with us
- make payments from share checking to third parties (bill payment)
 - free to all active users
 - there is a monthly fee for inactive users, beginning after 60 days of inactivity (see fee schedule)
- get information about your accounts
- transfer funds to/from other financial institutions (fee applies)

FEES

- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers. Refer to schedule of fees for fee amounts.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

DOCUMENTATION

- **Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your account using an automated teller machine or point-of-sale terminal when the transfer is more than \$15.00. You may not get a receipt if the transfer is \$15.00 or less.
- **Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 703-706-5000 or 1-800-296-8882 to find out whether or not the deposit has been made.
- **Periodic Statements.** You will get a monthly account statement from us for your share checking, regular share and money management accounts when you have electronic fund transfers.

PREAUTHORIZED PAYMENTS

- **Right to Stop Payment and Procedure for Doing So.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Call or write us at the telephone number or address listed in this brochure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.
- **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for Failure to Stop Payment of Preauthorized Transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

Liability for Failure to Make Transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) if, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) if you have an overdraft line and the transfer would go over the credit limit.
- (3) if the automated teller machine where you are making the transfer does not have enough cash.
- (4) if the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) if circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

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

CONFIDENTIALITY

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

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

Consumer Liability.

• **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

• **Additional Limit on Liability for Visa® Check Card.** Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa® Check Card. This additional limit on liability does not apply to ATM transactions or to transactions using your Personal Identification Number which are not processed by VISA®.

(b) **Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen, contact SDFCU at the number or address listed in this brochure. You should also call the number or write to the address listed in this brochure if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information

about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days for Visa® Check Card point-of-sale transactions and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Visa® Check Card point-of-sale transactions and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless you already have an established account with us before this account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

STATE DEPARTMENT FEDERAL CREDIT UNION
ATTENTION - CARD SERVICES

1630 KING STREET
ALEXANDRIA, VA 22314-2745

Business Days: Monday through Friday
Excluding Federal Holidays

Phone: 703-706-5000 or 800-296-8882

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

NOTICE OF ATM/NIGHT DEPOSIT FACILITY USER PRECAUTIONS

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM) or night deposit facility. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always save your ATM receipts. Don't leave them at the ATM or night deposit facility because they may contain important account information.
3. Compare your records with the account statements you receive.
4. Don't lend your Visa® Check Card to anyone.
5. Remember, do not leave your card at the ATM. Do not leave any documents at a night deposit facility.
6. Protect the secrecy of your Personal Identification Number (PIN). Protect your Visa® Check Card as though it were cash. Don't tell anyone your PIN. Don't give anyone information regarding your Visa® Check Card or PIN over the telephone. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
7. Prevent others from seeing you enter your PIN by using your body to shield their view.
8. If you lose your Visa® Check Card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
9. When you make a transaction, be aware of your surroundings. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
10. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
11. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, pocket your card and leave. You might consider using another ATM or coming back later.
12. Don't display your cash; pocket it as soon as the ATM transaction is completed and count the cash later when you are in the safety of your own car, home, or other secure surrounding.
13. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.

14. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all accounts.

Our general policy is to make funds from checks under \$1000 available to you on the day we receive your deposit; however, as detailed below, funds availability is dependent on many factors. Electronic direct deposits will be available on the day we receive the deposit. Cash, wire transfers, and some specified check deposits that are not credited the same day will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written. All deposits can be held subject to verification of originating parties. If your funds are held, they will be subject to the availability schedule below.

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 closing 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 2:30 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 at an ATM after 2:30 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Same-Day Availability

Funds from electronic direct deposits to your account and check deposits under \$1,000.00 will be available on the day we receive the deposit.

Next-Day Availability

Funds from the following deposits are available on the first business day after the day of your deposit:

U.S. Treasury checks that are payable to you.

Wire transfers.

Checks drawn on State Department Federal Credit Union.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

Cash.

State and local government checks that are payable to you.

Cashier's, certified, and teller's checks that are payable to you.

Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits Subject to Second-Day Availability

The first \$200 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of \$700 on a Monday, \$200 of the deposit is available on Tuesday. The remaining \$500 is available on Wednesday.

LONGER DELAYS MAY APPLY

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 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 business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 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 business day after the day of your

deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the fifth business day after the day of your deposit.

TRUTH-IN-SAVINGS DISCLOSURE

REGULAR SHARE ACCOUNT (NONTRANSFERABLE)

Rate Information:

The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and Crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend Period - For this account type, 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. All other dividend periods follow this same pattern of dates. The dividend declaration date is the first day of the dividend period, and for the example above is January 1.

Minimum Balance Requirements:

The minimum balance required to open this account is \$1.00.

You must maintain a minimum daily balance of \$1.00 in your account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends on Noncash Deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction Limitations:

During any month, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, debit card (if applicable), or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

Par Value of a Share:

The par value of a share in this account is \$1.00.

Fees:

Please refer to our separate fee schedule for additional information about charges.

SHARE CHECKING ACCOUNT (NONTRANSFERABLE)

The share checking account consists of a transaction sub-account and a savings sub-account. Funds not routinely needed to pay debits may be transferred to a savings sub-account. We may periodically transfer funds between these two sub-accounts. If interest/dividends are paid on this account, your interest/dividend calculation will remain the same. Otherwise, the savings sub-account will not be non-interest bearing. The savings sub-account will be governed by the rules governing your other savings accounts indicated within the Transaction Limitations section for Regular Share Accounts, above. This process will not affect your available balance, the interest you may earn, NCUA insurance protection, your monthly statement, or any other features of your share checking account.

Fees:

Please refer to our separate fee schedule for additional information about charges.

MONEY MANAGEMENT SHARE ACCOUNT (NONTRANSFERABLE)

Rate Information:

The dividend rate and annual percentage yield may change every month. We may change the dividend rate for your account as determined by the credit union board of directors.

Compounding and Crediting - Dividends will be compounded every month. Dividends will be credited to your account every month.

Dividend Period - For this account type, 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. All other dividend periods follow this same pattern of dates. The dividend declaration date is the first day of the dividend period, and for the example above is January 1.

Minimum Balance Requirements:

The minimum balance required to open a Prime Money Management Share Account is \$2,000.00 and \$25,000.00 for a Premiere Money Management Share Account.

You must maintain a minimum daily balance of \$2,000 in your Prime Money Management Share Account and \$25,000.00 in your Premiere Money Management Share Account each day to obtain the disclosed annual percentage yield.

Daily Balance Computation Method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of Dividends on Noncash Deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction Limitations:

The minimum amount you may withdraw is \$100 per withdrawal.

During any statement period, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, debit card (if applicable), or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

Money Management Share funds may not be pledged as security for loans.

Fees:

Please refer to our separate fee schedule for additional information about charges.

COMMON FEATURES

Bylaw Requirements:

If the balance in your Regular Share account falls below \$1.00, and you do not increase the balance to at least \$1.00 by the end of six months, you may be terminated from membership.

Transaction Limitation - We reserve the right to at any time require not less than seven 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.

Nature of Dividends - Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account(s).)

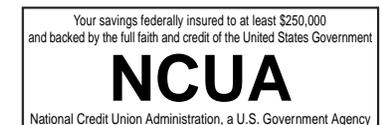
National Credit Union Share Insurance Fund - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

YOUR ACCOUNT

Please see the insert that is with this disclosure for additional information about the specific accounts you have opened or inquired about.



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