

## PENN STATE FEDERAL ACCOUNT DISCLOSURES MEMBERSHIP & ACCOUNT AGREEMENT

This agreement covers you, your rights and your responsibilities concerning accounts Penn State Federal Credit Union offers. In this Agreement, the words "you" and "yours" mean anyone who signs an Account Card. Reference to Account Card includes Paperless Account Card or Account Change Card. The words, "we," "us," and "our," mean Penn State Federal Credit Union. The word "account" means any one or more share or other account(s) you have with us. Your account type(s) and ownership features are designated on your Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement, Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings, Rate & Fee Schedule and any Account receipt accompanying this Agreement, our bylaws and policies, and any amendments to these documents from time to time which collectively govern your Membership and Account(s).

**Membership Eligibility:** To join Penn State Federal Credit Union, you must meet the membership requirements (see Rate & Fee Schedule) including the purchase and maintenance of at least one (1) share ("membership share") as set forth in our Bylaws. You authorize us to check your account, credit and employment history, and to obtain reports from third parties, including credit reporting agencies to verify your eligibility for the account(s) and services you request.

**Single Party Accounts:** A single party account is an account owned by one (1) member (individual, corporation, partnership, sole proprietor, trust or other organization) qualified for credit union membership. If the Account owner dies, the interest passes, subject to applicable law, to the descendant's estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer & withdrawal requests of an owner or owner's agent prior to notice of an owner's death.

**Multiple Party Accounts:** An account owned by two (2) or more persons is a multiple party account. **Rights of Survivorship** Unless otherwise stated on the Account Card, a multiple party account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). For a multiple party account without rights of survivorship, the deceased owner's interest passes to his/her estate. A surviving owner's interest is subject to our statutory lien for the deceased owner's obligations and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it. **Control of Multiple Party Accounts** Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment of 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 a court order or written consent from all owners to act. **Multiple Party Account Owner Liability** If a deposited item in a multiple party 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 multiple party account regardless of who contributed them. **Accounts for Minors** We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority unless authorized in writing by all account owners.

**Deposit of Funds Requirements:** Funds may be deposited to any account, in any manner approved by us in accordance with the requirements set forth on the Rate & Fee Schedule.

**Endorsements** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more account owners even if all payees do not endorse them. You authorize us to supply missing endorsements of any owners if we choose. If a check, draft, or item that is payable to two (2) or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. If an insurance, government, or other draft or check requires an endorsement as set forth on the back of the draft or check, we may require endorsement as set forth on the item. Endorsements must be made on the outside back of the share draft or check within 1.5 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. **Collection of Items** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits made by mail or at un-staffed facilities are not our responsibilities until we receive them. We are not liable for the negligence of any correspondence or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. **Final Payment** All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer. **Direct Deposits** We may offer pre-authorized deposits (e.g., payroll checks, Social Security, or retirement checks, or other government checks) or pre-authorized transfers from other accounts. You must authorize each deposit or pre-authorized transfer by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the US Government for any benefit directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law. **Crediting of Deposits** Deposits made after the deposit cutoff time & deposits made on Holidays or days that are not our business days, will be credited to your account on the next business day.

**Your Ability to Withdraw Funds:** Our policy is to make funds from your deposits, other than non-local checks, available to you as follows: the first \$100 from a deposit on a local check will be available on the first (1st) business day after the day of your deposit. The remaining funds will be available on the second (2nd) business day after the day of your deposit. For example, if you deposit a local check on Monday, \$100 of the deposit is available Tuesday; the remaining balance will be available on Wednesday. At that time, you can withdraw funds in cash, or we can use the funds to pay drafts that you have written. Funds represented by non-local checks that you have deposited will be available as follows: The first \$100 from a deposit of a non-local check will be available the first (1st) business day after the day of deposit. The remaining funds from the deposit will be available on the fifth (5th) business day after the day of the deposit.

For example, if you deposit a \$700 non-local check Monday, \$100 of the deposit is available Tuesday; the remaining \$600 is available the fifth (5th) business day. During the delay, you may not withdraw the funds in cash, and we will not use the funds to pay drafts that you have written. We provide same-day availability from funds received through wire transfers, social security benefits and payroll payments. If cash deposits are made in person to one of our employees, these funds will be available on the day of deposit.

**Longer Delays May Apply:** In some cases, we will not make all of the funds that you deposit by draft or check available at the time shown. Depending on the type of draft or check that you deposit, funds may not be available until the fifth (5th) business day after the day of deposit. However, the first \$100 of your deposit will be available on the first (1st) business day after the day of deposit. If we are not going to make all of the funds from your deposit available on the first (1st) business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice the day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds would be available. In addition, funds you deposit by draft or check may be delayed for a longer period under the following circumstances: we believe a draft or check you deposit will not be paid; you deposit checks or drafts totaling more than \$5,000 on any one day; you redeposit a check or draft that has been returned unpaid; you have overdrawn your account repeatedly in the last six months; or there is an emergency, such as failure of communications or computer equipment. We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available by the fifth (5th) 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 thirty (30) days your account is open. The first \$5,000 from a deposit of U.S. Treasury checks will be available on the first (1st) business day after the day of your deposit. The excess over \$5,000 will be available on the ninth (9th) business day after the day of your deposit. Funds from wire transfers into your account will be available on the first (1st) business day after the day we receive the transfer. Funds from deposits of cash and the first \$5,000 of a day's total deposits of cashier's, certified, teller's and 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 ninth (9th) day after the day of your deposit. If you do not make the deposit in person to one of our employees, the first \$5,000 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other draft or check deposits will be available on the ninth (9th) business day after the day of your deposit.

**Account Access: Authorized Signature** Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any draft that appears to bear your facsimile signature even if an unauthorized person made it. You authorize us to honor transactions initiated by a third person to which you have given your account number even if you do not authorize a particular transaction. **Access Operations** You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., via Penny-Line, Penny On-Line, mail, ATM, in person, by automatic transfer, or telephone.) We may return as unpaid any draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a draft. We have the right to review and approve any power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney. **ACH & Wire Transfers** If we provide the service, you may initiate or receive credits or debits to your account through wire or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. We may provisionally credit your account for an ACH transfer before we receive final settlement. We may reverse the provisional credit or you will refund us the amount if we do not receive final settlement. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. We (and other institutions) may rely on the account or other identifying number as the proper identification even if it identifies a different party or institution. **Our Examination** We may disregard information on any draft or check other than the signature of the drawer, the amount and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

**Account Rate & Fees** We pay account earnings and assess fees against your account as set forth in the Rate & Fee Schedule. We may change the Rate & Fee Schedule at any time and will notify you as required by law.

**Transaction Limitations: Withdrawal Restrictions** We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient funds may be subject to a service charge set forth in the Rate & Fee Schedule. If there are sufficient funds to cover some, but not all of your withdrawals, we may allow those withdrawals for which there are sufficient funds in any order at our discretion. We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: a dispute between account owners (unless a court has ordered us to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to us; required documentation has not been presented; you fail to repay a Penn State Federal loan on time. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

**Transfer Limitations** For share savings, you may make up to six (6) pre-authorized, automatic, telephone, Penny-Line, or Penny On-Line transfers to another account (yours or otherwise) during a calendar month. Of these six (6), you may make no more than three (3) transfers to a third party by check or debit card. A pre-authorized transfer includes an arrangement with us to pay a third party from your account upon oral or written orders including orders received through the automated clearing house (ACH). You may make unlimited transfers to any of your accounts or to any loan account and may make withdrawals in person, by mail, or at an ATM. However, we may refuse or reverse a transfer that exceeds these limitations and may assess fees against, suspend, or close your account.

**Certificate Accounts:** Any time deposit, term share, share certificate, or certificate of deposit account allowed by state law (Certificate Account), whichever we offer, is subject to the terms of this Agreement, the Rate & Fee Schedule and Account Deposit Receipt for each account the terms of which are incorporated herein by reference.

**Overdrafts: Overdraft Liability** If on any date, the funds in your share draft account are not sufficient to cover drafts, fees, or other items posted to your account, those amounts will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. Our determination of an insufficient account balance will be made at presentation with only one review of the account. We do not have to notify you if your share account does not have the funds to cover drafts, fees, or other posted items. Whether the item is paid or returned, your account may be subject to a charge as set forth in the Rate & Fee Schedule. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time without notice. If we pay a draft or impose a fee that would otherwise overdraw your account, you agree to pay

the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond any midnight deadline limits. **Overdraft Protection Plan** If we have approved an overdraft protection plan for your account, we will honor drafts drawn on insufficient funds by transferring funds from another account under this Agreement or a loan account, as you have directed, or as required under our overdraft protection policy. The fee for overdraft transfers is set forth on the Rate & Fee Schedule. This Agreement governs all transactions except those governed by agreements for loan account(s).

**Courtesy Pay:** This is an overdraft payment service for your share draft account. The added value to you includes no third party fees, late fees or the embarrassment of returned checks.

**Description of Service** Under Courtesy Pay, we, at our sole discretion may honor and pay checks, automatic debits (ACH), debit card purchases and bill payment items drawn against a checking account that does not have sufficient funds available at the time of the presentation. Courtesy Pay will be applied only after the account's other sources of overdraft protection (savings or credit lines) have been depleted. **Eligibility** Courtesy Pay may be available for all checking accounts that have been opened for 6 months and when: the member whose name that is first on the account is at least 18 years old; all of that member's accounts are in good standing (accounts have positive balances at least once every 30 days; all loans and Visa™ accounts are current); no member on the account has caused us a loss; and the account is not under administrative/legal order or a levy. The maximum limit of Courtesy Pay is one half of the total payroll and ACH credits to that checking account per month or \$300 per checking account (whichever is greater), unless otherwise specified. **Responsibility** If we pay an overdraft on an account with more than one (1) owner on the signature card, all owners drawing/presenting the item (thereby creating the overdraft item) are jointly and severally liable for such overdrafts plus applicable fees. Collection action will be taken on accounts whose negative balance exceeds forty-five (45) consecutive calendar days. **Fees** Whether the Non Sufficient Funds (NSF) item is returned or paid, a per-item fee will be charged to your account as, respectively, either a NSF fee or a Courtesy Pay fee, as set forth in the Rate & Fee Schedule. If the account balance remains negative for 10 consecutive calendar days, an Extended Negative Balance fee (extended neg fee) will be assessed, as set forth in the Rate & Fee Schedule. **Notification** You will be notified by mail or e-mail of any NSF item returned or paid through the Courtesy Pay system. However, we have no obligation to notify the member before it pays an NSF item. **Limitations** Courtesy Pay is non-contractual and discretionary. We may refuse to provide this service on any checking account at any time. You have no contractual right to the overdraft courtesy, nor is it guaranteed. **Opting Out** You may "opt out" of Courtesy Pay by notifying us in writing. Once you "opt out" of the program, you must wait at least 60 days to request reinstatement.

**Postdated & Stale dated Drafts:** We do not honor any requests for postdated checks. We may pay any draft without regard to its date unless you notify us of a postdating. You agree not to deposit checks, drafts or any other items before they are properly payable. We are not obligated to pay any draft or check drawn on your account that is presented more than six (6) months past its due date.

**Stop Payment Orders: Stop Payment Order Request** You may request a stop payment order on any draft drawn on your account. You may make a verbal notice which lapses in fourteen (14) calendar days unless confirmed in writing. A written notice is effective for six (6) months & may be renewed in writing from time to time. To be binding an order must be dated, signed & describe the account, draft number, and the exact amount. The stop payment will be effective if we receive the order in time for us to act upon the order & you state the number on the account, number of the draft & its exact amount. You understand that the exact information is necessary for our computer to identify the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If we re-credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist in any legal action. **Duration of Order** Verbal notice of a stop payment order lapses in 14 calendar days. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires. **Liability** Fees for stop payment orders are set forth in the Rate & Fee Schedule. You may not stop payment on any certified check, cashier's check or any other check, draft or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold us harmless from all costs, including attorney's fees, damages, or claims related to our refusing payment of an item, including claims of any multiple party account, owner, payee, or endorser in failing to stop payment of an item as a result of incorrect information provided by you.

**Our Liability:** If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: your account contains insufficient funds for the transaction; circumstances beyond our control prevent the transaction; your loss is caused by you or another financial institution's negligence; or your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or non-actions are consistent with applicable state law, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. You grant us the right in making payments of deposited funds to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

**Our Lien & Security Interest:** If you owe us money as a borrower, guarantor, endorser, or otherwise, we have a lien on the account funds in any account in which you have an ownership interest regardless of their source, unless prohibited by law. We may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant us a consensual security interest in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed to us, except for obligations secured by your residence, unless prohibited by applicable law. All accounts are nonassignable and nontransferable to third parties.

**Legal Process:** If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

**Account Information:** Upon request we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: it is necessary to complete a transaction; the third party seeks to verify the existence or condition of your account in accordance with applicable law; such disclosure complies with the law or a government agency or court order; or you give us written permission.

**Notices: Name or Address Changes** You are responsible for notifying us of any address or name change. We are only required to attempt to communicate with you at the most recent address you have provided to us. If we attempt to locate you, we may impose a service fee as set forth

on the Rate & Fee Schedule. **Notice of Amendments** Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms, rates, or fees as required by law. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement. **Effect of Notice** Any written notice you give us is effective when we receive it. 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 or sent via e-mail notification. Notice to any account owner is considered notice to all account owners.

**Taxpayer Identification Numbers & Backup Withholding:** Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your account, or if applicable, you may request a non-dividend or non-interest bearing account until a TIN is provided.

**Statements: Contents** If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. For checking accounts, you understand and agree that your original draft, when paid, becomes property of us and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are mailed or notice of electronic delivery is sent. You also understand and agree that drafts or copies thereof are made available to you on the date the statement is mailed to you, even though the drafts do not accompany the statement. Copies of drafts are available through Penny On-Line. **Examination** You are responsible for examining each statement and reporting any irregularities to us. We will not be responsible for any forged, altered, unauthorized or unsigned items drawn on your account if: you fail to notify us within thirty-three (33) days of the mailing or electronic delivery date of the earliest statement regarding any forgery, alteration, or unauthorized signature on any item described in the statement; or any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machines. **Notice to us** You agree that our retention of drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us on any errors. If you fail to receive a periodic statement you agree to notify us within fourteen (14) days of the time you regularly receive a statement.

**Inactive Accounts:** If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Rate & Fee Schedule during which we have been unable to contact you by regular mail, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee set forth on the Rate & Fee Schedule for processing your inactive account. If we impose a fee we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the appropriate state agency.

**Special Account Instructions:** You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instruction that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or other protection. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Change form and accepted by us.

**Termination of Account:** We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: there is a change in owners or authorized signers; there has been a forgery or fraud reported or committed involving your account; there is a dispute as to the ownership of the account or of the funds in the account; any checks are lost or stolen; there are excessive returned, unpaid items not covered by an overdraft protection plan; there has been any misrepresentation or any other abuse of any of your accounts; or we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

**Termination of Membership:** You may terminate your membership by giving us notice. You may be denied services or expelled for any reason allowed by applicable law, including causing a loss to us.

**Death of Account Owner:** We may pay drafts or honor payments or transfer orders authorized by a member for a period of ten (10) days after the date of the member's death unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

**Severability:** If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable & will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

**Enforcement:** You are liable to us for any loss, cost or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, cost or expense from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees & costs, including fees on any appeal, bankruptcy proceedings & any post judgment collection actions.

**Governing Law:** Our Bylaws, federal laws & regulations, the laws govern this Agreement, including applicable principles on contract law and regulations of the state of Pennsylvania, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Amendment shall be brought in the county in which we are located (Centre).

#### **AVAILABLE EFT TRANSFER SERVICES & LIMITATIONS**

**Visa debit, Visa credit & ATM card Transactions:** If you have been issued a Visa debit or ATM card, you may use your card to: withdraw cash from your share-draft or share account; make deposits to your share-draft or share account; transfer funds between your share draft and share accounts (those encoded on your Visa debit or ATM card); and pay for purchases at the point of

sale (POS). There are some limitations on transfers when using the Visa debit or ATM card. There is a \$300 limit per day on withdrawals and point-of-sale usage for each account. In addition, for security reasons, there may be other limits on the number of transfers or attempts you may make when using our ATM service. Effective April 1, 2005, Purchases, cash withdrawals and cash advances made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a 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 processing date. The exchange rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. A fee of 1% will be imposed on all foreign transactions, including purchases, cash withdrawals, cash advances, and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the U.S., Puerto Rico, or the U.S. Virgin Islands.

**Telephone Transfer Service:** If you have a signed agreement with us to process telephone requests, you can transfer money between your share draft and/or share savings account(s) by phone. Note that your telephone transfers will only be accepted during business hours on business days.

**Electronic Deposits & Payments: Transfers to your account (deposits)** You may authorize in writing the direct deposit of payments due to you such as wages, Social Security benefits, pension payments, annuity payments, dividend payments & similar regular payments. These deposits can be made to your share draft or share savings account. **Transfers from your account (payments)** You may authorize, in writing, the direct transfer of money from your share draft or share savings account(s) in order to automatically pay third party bills that occur at regular intervals. If these regular payments vary in amount, the person(s) you owe will inform you at least ten (10) days prior to each payment of the amount and date of each payment. You may choose to be notified only when the payment amount differs from the previous payment or the amount falls outside a limit pre-established by you.

**Electronic Check (E-Check) Transactions:** An electronic check conversion, or an e-check is an electronic debit to a draft (checking) account that is initiated on the Internet, at a point-of-sale, over the telephone, or by a bill payment check sent through the mail. Your accounts can be electronically debited for a written draft. An e-check clears your account much faster than checks processed physically. Merchants may also electronically re-present checks because of insufficient funds. Any returned check fees the merchant charges could be electronically debited from your account as well. E-checks have specific consumer protections from error and fraud, which are outlined in this EFT disclosure. EFT disclosures apply whether the check is blank, partially completed, or fully completed and signed; whether it is presented at the point of sale or mailed to a merchant or lock box and later converted to an EFT; or whether it is retained by the consumer or the merchant or the merchant's financial institution.

**Penny-Line & Penny On-Line:** Penny allows you to conduct the following transactions via telephone or internet browser access: obtain balances on your share, share-draft, certificate and loan accounts; view past and current statements; transfer funds between your accounts or from your accounts to another pre-established member account; determine recent specific drafts cleared on your share draft account; determine the amount and date of your last loan payment; transfer money from your accounts to make your loan payments or payments on family member loans; request a check withdrawal from your share or share-draft to be mailed to you; order advances on existing and approved lines of credit to be deposited into share or share draft; and view and print check images. By using your account number and access code through Penny, you agree that we may debit/credit your account(s) in accordance with the instructions you give. In other words, we may treat the instructions you give as if they were written orders bearing your signature. By using Penny On-Line you consent to receive your statements electronically, unless you notify us otherwise. See Statements.

**Charges for Transactions:** All accounts have unlimited usage of machines operated by us. See Rate & Fee Schedule for limitations on ATM transactions not owned Penn State Federal. You will be charged per transaction for: transactions in excess of your stated account limits, each inquiry or transfer done through the ATM, and PLUS & HONOR transactions. There may be a charge for the replacement of your Visa debit or ATM\* card. Please see Rate & Fee Schedule for other applicable charges.

**Business Days:** Our business days are Monday through Friday except Federal Holidays.

**Documentation of Transfers:** With Visa debit or ATM\* transfers you will get a receipt at the time you make any transfer to or from your account using an ATM or POS terminal. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call us to find out if the deposit has been made. You will receive a monthly statement if you have a share draft account or if you have a share savings account with EFT activity (unless there are no transfers in a particular month). In any case, you will get a quarterly statement.

**Right & Procedure to Stop Payment of Preauthorized Transfer:** We can stop regular (automatic) payments made out of your account at your request. We must receive your request in person, in writing or verbally three (3) business days or more before the payment is scheduled to be made. If you have telephoned, faxed, e-mailed or otherwise submitted your stop payment to us, we will mail you a stop payment form. You are required to complete, sign & return the form to us no later than fourteen (14) days after you made the request. If you order us to stop one (1) of these payments three (3) or more business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages. Please refer to the Rate & Fee Schedule for other applicable charges.

**In Case of Errors or Questions Concerning Electronic Transfers:** If you believe your Visa debit or ATM card, access code or PIN has been lost or stolen or that someone has transferred, or may transfer money from your account without your permission, call us immediately. If anyone repeatedly tries to use an incorrect PIN to order any electronic banking transaction from your account, further use of these privileges may be prevented. If you think your statement or receipt is incorrect or if you need additional information about a transfer listed on your statement or receipt, telephone or write us. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the problem or error appeared. Include your name and account number as well as a description of the item in question. Please explain as clearly as you can why you believe it is an error or why you need further information. Be sure to include the dollar amount of the suspected error. If your question is not submitted in writing, we may require that you send us your question/complaint in writing within ten (10) business days. We will tell you the results of our investigation within ten (10) business day or twenty (20) business days for POS transactions or transactions initiated outside the United States. We will make every attempt to promptly correct any error. If, however, we are unable to correct the error immediately, we may take up to 45 days (90 days for POS transactions or transactions initiated outside of the United States) to investigate your complaint or question. If we do this, we will provisionally re-credit your account within five (5) business days or twenty (20) business days for POS transactions or transactions initiated outside of the United States) for the amount you think is in error during the time it takes us to complete our investigation. If we ask you to put your question/complaint in writing and we do not receive it within ten (10) days, we may not re-credit your account. If we find there was no error, we will send you a written explanation within three (3) business days after the completion of our investigation. You may request copies of the

documents used in our investigation.

**Responsibility & Liability:** You accept all liability that can be legally imposed upon you for each use of an ATM, Penny Line or Penny On-Line whether or not authorized by you. You must notify us immediately if you believe your Visa debit card, PIN or Penny Access Code has been lost or stolen. If your statement shows transactions that you did not make, notify us at once. Failure to notify us within sixty (60) days after the statement was mailed to you, could result in a possible loss. Time extensions may be granted in certain cases.

**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. There are some exceptions. We will not be liable if: through no fault of our own, you do not have enough money in your account to make the transfer; you knew that the ATM system was not working properly when you started the transfer; disaster prevented the transfer, despite our reasonable precautions, or other circumstances beyond our control. In addition, we are not responsible if the money in your account is subject to a funds availability hold, legal process, or other encumbrance restricting transfers. There may be other exceptions stated in our agreement with you.

#### PRIVACY NOTICE

Penn State Federal Credit Union, your member-owned financial institution, is committed to providing you financial products and services that meet your needs and reach your financial goals. We are equally committed to protecting our member's privacy. You can be confident that your financial privacy is a top priority of Penn State Federal. We are required by law to give you this privacy notice to explain how we collect, use and safeguard your personal financial information. If you have any questions, please contact a member service representative at (814) 865-7728. **Information We Collect** We collect and may disclose nonpublic personal information about you from a variety of sources: Information we receive from you on applications or other forms, such as name, address, social security number, assets and income; Information about your transactions with our affiliates, others, or us, such as your account balance, payment history, parties to transactions and credit card usage; Information we receive from a consumer-reporting agency, such as your credit worthiness and credit history. **Information We Disclose** We may disclose all of the information we collect as described above to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. We may also disclose information about you under other circumstances as required or permitted by law. **How We Protect Your Information** We restrict access to non-public information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations and leading industry practices to safeguard your nonpublic personal information.

#### NCUA INSURED FUNDS

**NCUA Insured Funds: Individual Accounts** Each member's funds are insured to \$100,000; that limitation applies to the total of a person's funds in share draft, share, and share certificates for which an insured credit union is liable. So share insurance is not increased, for example, by putting \$100,000 into a share account and \$100,000 into a share draft account in the same insured credit union. In that case, \$100,000 is insured, not \$200,000. Actual title to each insured account must be in the name of the account holder named. Thus, if a member sets up a number of accounts under different names with no intention of creating the indicated ownership interests with respect to the funds, share insurance will not be increased. The funds will be insured only as the funds of the true owner. **Joint Accounts** In addition to their individual insured accounts, each person is entitled to a maximum of \$100,000 coverage for their interest in all of their joint accounts. A husband and wife, or any two or more persons may have a valid joint account covered for the total amount allowed for each person in the joint account category. For example, since each co-owner is deemed to have an equal interest, a husband and wife could have one joint account with \$200,000 fully covered. In this example, neither of them would be eligible for coverage of any amounts in any other joint accounts at the same insured credit union. As another example, three siblings could have a joint account containing \$300,00, all fully insured, with each of the three deemed to be insured for \$100,000. Again, in this example, any amounts in joint accounts at the same insured credit union with the same or other persons would not be covered by share insurance. Insurance protection is not increased by merely rearranging the names of owners, changing the style of names, or by having more than one joint account for the same combination of owners in the same insured credit union. Each co-owner of a joint account must have equal withdrawal rights and must personally execute a signature card - except in the case of jointly held share certificates or shares represented by negotiable instruments. Jointly held share certificates must in fact be jointly owned to be insured as a joint account.

**How a husband and wife may have insured accounts totaling \$400,000:**

*Individual: Husband \$100,000, Wife \$100,000 Joint: Husband & Wife \$200,000*

**How a grandparent and two grandchildren may have insured accounts totaling \$600,000:**

*Individual: Grandparent \$100,000, Boy \$100,000, Girl \$100,000*

*Joint: Grandparent & Boy \$100,000, Grandparent & Girl \$100,000, Girl & Boy \$100,000*

**How a husband, wife and two children may have insured accounts totaling \$800,000:**

*Individual: Husband \$100,000, Wife \$100,000, Girl \$100,000, Boy \$100,000*

*Joint: Husband & Wife \$100,000, Husband & Boy \$100,000, Wife & Girl \$100,000 Girl & Boy \$100,000*

**Special note:** These examples show some average family groups & the maximum coverage available to them. We use the maximum amounts because they best demonstrate the total coverage available, even though an "average" family probably would not have such balances in the account types shown. Also, all of our examples assume that the individuals depicted have met the requirements for each legal ownership category. **IRAs** In addition to the coverage shown in the charts above, any funds in IRA or Keogh Accounts are eligible for *separate* insurance protection up to \$250,000. They are not included in these charts because they are subject to special rules for deposit & withdrawal. **NCUA sanction** The NCUA cannot officially sanction & approve these examples, although generally accurate, they are designed to simplify in layman's terms rather complex rules that in some circumstances may only be fully understood in the statutory and regulatory context in which they were written.

#### GLOSSARY

**ACH** Automated Clearing House **Access Code** A four-digit number (0011- 9999) used by Penny to verify member identity **ATM** Automated Teller Machine **CD** Certificate of Deposit **Draft** A note written against a share-draft or line of credit account (check) **EFT** Electronic Funds Transfer **Encumbrance** Financial debt or obligation **Liable** (Liability) Legally obligated or responsible **Lien** The legal right to take & hold or sell the property of another to satisfy an obligation or debt **Penny Refers to** Penny-Line & Penny On-Line **Penny-Line Refers to** account access by phone **Penny On-Line Refers to** account access by Internet browser **PIN** A four digit Personal Identification Number used to verify member identity **POS** Point of Sale refers to using your Visa *debit* or STAR® ATM card to make a purchase at a merchant location **Postdating** To mark a draft with a date later than the date on which it was written **PLUS/HONOR** A network of Automated Teller Machines operated by the PLUS or HONOR systems **Severally** Separately or individually **Share Savings Account** Refers to share "savings" account **Share Draft Account** Refers to share draft "checking" account **SSN** Social Security Number (also referred to as a TIN) **Staledated** A draft or check that is dated six (6) or more months before the present date **ATM** is a plastic account access card used to initiate ATM & POS transactions **Visa debit** is a plastic account access card used to initiate ATM & POS transactions **TIN** Taxpayer Identification Number (also referred to as an SSN) version 07.07