

2821 Crisman Street • Charlotte, NC 28208  
1-800-622-5305 • www.ctelco.org

Dear Member:

This Booklet and the Rate and Fee Schedule (“Schedule”) explain the rules which govern your account(s) and account services with us. Please read this Booklet and the Schedule carefully and keep them in a safe and convenient place. To become a member of Carolinas Telco Federal Credit Union:

1. Complete and sign the Member Services Request to open your account(s) and services today.
2. Read and retain all disclosures in this booklet. To ensure your understanding of our relationship with you, we provide this detailed agreement which explains your responsibilities and ours. Please read this booklet carefully and feel free to ask any questions regarding these terms and conditions.
3. Return the signed Member Services Request to Carolinas Telco Federal Credit Union for processing. You must also include a check for \$5.00, for a minimum account balance, along with identification material.

[www.ctelco.org](http://www.ctelco.org)  
1-800-622-5305  
2821 Crisman Street  
Charlotte, NC 28208  
Mailing Address: PO Box 668467  
Charlotte, NC 28266-8467

Your relationship with the Credit Union is also governed by state and federal laws, which may change from time to time. The body of law is too large and complex to be reproduced here. **The purpose of this Booklet is to: (1) summarize the rules applicable to common Transactions; (2) establish rules to govern Transactions not regulated by state or federal law; (3) establish variations to certain events or Transactions permitted by applicable law; and (4) provide you with certain disclosures and information regarding our policies as required by law. By signing a Member Services Request (Account Card) or your use or continued use of any account or account services after receiving this Booklet, notice of its availability or notification of any change in terms, you, jointly and severally, agree that you understand and agree to the terms and conditions stated in this Booklet, and the Schedule, as amended from time to time. If you have any questions regarding any term or condition in this Booklet, please ask us before signing the Account Card, any application or using any of our services.**

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#### NOTICE TO MEMBERS

The laws and regulations governing the financial services we provide are complex. To ensure your understanding of our relationship with you, we provide this detailed agreement which explains both your responsibilities and ours. Please read this document carefully, and feel free to ask any questions regarding these terms and conditions.

**THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO EITHER THE NORTH CAROLINA GENERAL STATUTE SECTION 1-567.1 AT ET. SEQ., OR THE FEDERAL ARBITRATION ACT AT 9 USC SECTION 1 AT ET. SEQ.,**

**Active Military Members and Dependents:** Any terms or conditions herein contrary to the Military Lending Act (“MLA”) are void for the period(s) during which you are entitled to the protections of the MLA.

## MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers the rights and responsibilities concerning your accounts and the rights and responsibilities of the credit union providing this Agreement (credit union). In this Agreement, the words **you** and **yours** mean anyone who signs an Account Card or Account Change Card (Account Card or any other account opening document). The words **we**, **us**, and **our** mean the credit union. The word **account** means any one (1) or more share or other accounts you have with the credit union.

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 and Account Card, the Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Funds Transfer Agreement and Disclosure, Privacy Notice Disclosure, any Account Deposit Receipt accompanying this Agreement, the credit union's bylaws and policies, and any amendments to these documents from time to time which collectively govern your membership and accounts.

**1. MEMBERSHIP ELIGIBILITY** — To join the credit union you must meet the membership requirements including purchase and maintenance of the minimum required share(s) ("membership share") as set forth in the credit union's bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

**2. INDIVIDUAL ACCOUNTS** — An individual account is an account owned by one (1) member (individual, corporation, partnership, trust or other organization) qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner's estate or beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death and to any security interest or pledge granted by the account owner and subject to our statutory lien rights.

**3. JOINT ACCOUNTS** — The account is owned by the primary account holder and one or more additional individuals identified on the Application as joint owner(s), together referred to as owner. Under joint ownership, the account is owned jointly and is subject to the right of any owner as stated in the Agreement. We are authorized to pay funds to, or to transact any business with, any owner. However, only the owner who is the primary account holder can close an account in its entirety. The primary account holder must also be the primary applicant on all loans under the account. Any owner may make deposits and each owner appoints the other owners as attorney-in-fact with the power to deposit any deposit payable to any one, or more, owners and, for that purpose, to endorse any withdrawal item payable to any one, or more, owners. All owners agree that any owner may initiate the withdrawal or transfer of funds and may obtain additional services without further consent of the other owners. Owners are jointly and severally liable for payment of all charges against the account, even when only one owner created the charge or otherwise benefited from it. One owner cannot remove another from the ownership (title) of the account. An owner may request in writing on the proper Credit Union form to have his or her own name removed from an account, but removal from ownership does not relieve the removed owner from the obligation to pay accrued fees, liability for checks in process of collection, loan delinquencies, and/or obligations that were owed prior to removal of the owner's name from the account.

**a. Rights of Survivorship.** For a joint account with rights of survivorship, upon the death of one (1) of the owners, the money remaining in the account will belong to the surviving owner(s). For a joint account without rights of survivorship, the deceased owner's interest passes to his or her estate. 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 a surviving owner did not consent to it.

**b. Control of Joint Accounts.** Any joint owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each joint owner guarantees the signature of any other owner(s). Any joint owner may withdraw all 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 a court order or written consent from all owners to act.

**c. Joint Account Owner Liability.** If an item deposited in a joint account is returned unpaid, a joint 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 the indebted owner, including all funds in the joint account regardless of who contributed the funds in the account.

**4. PAYABLE ON DEATH (POD) ACCOUNT DESIGNATIONS** — (G.S. 54-109.57) A Payable on Death (POD) account is an account held in the name of one (1) or more persons as owner or owners for one or more persons designated as beneficiaries. The account and any balance thereof is subject to the following: a) during your lifetime you may withdraw the money in the account; b) by written direction to the credit union, you may change the beneficiary or beneficiaries; and c) upon your death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by your heirs or be controlled by your will. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary of the existence of any account or the vesting of a beneficiary's interest in any account, except as otherwise provided by law.

**5. ACCOUNTS FOR MINORS** — We may require any account established by a minor to be a joint 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.

**6. UNIFORM TRANSFERS TO MINORS ACCOUNT** — A Uniform Transfers to Minors Account (UTMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

**7. AGENCY DESIGNATION ON AN ACCOUNT** — An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or credit union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent.

**8. DEPOSIT OF FUNDS REQUIREMENTS** — Funds may be deposited to any account, in any manner approved by the credit union in accordance with the requirements as set forth in the Truth-in-Savings Disclosure. Deposits made by mail, at night depositories or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

**a. 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 (1) or more account owners even if they are not endorsed by all payees. 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 check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the share draft or check within 1½ 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.

**b. 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. We are not liable for the negligence of any correspondent 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. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

**c. Restrictive Legends.** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include “two signatures required”, “void after 60 days” or “not valid over \$500.” We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.

**d. 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 or ACH transfers 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.

**e. Direct Deposits.** We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by filling out a separate form. You must notify us at least 30 days in advance to cancel or change a direct deposit or transfer option. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. Upon a bankruptcy filing, unless you cancel the authorization, we will continue applying payments from direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

**f. Crediting of Deposits.** Deposits made after the deposit cut-off time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day.

## **9. ACCOUNT ACCESS —**

**a. 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 check or draft that appears to bear your facsimile signature even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number even if you do not authorize a particular transaction.

**b. Access Options.** You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, Internet access, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law.

**c. Credit Union Examination.** We may disregard information on any check or draft 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.

**10. FUND TRANSFERS** — Except as amended by this Agreement, electronic fund transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located. We may execute certain requests for an electronic fund transfer by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order an electronic fund transfer to or from your account. We will debit your account for the amount of the electronic fund transfer and will charge your account for any fees related to the transfer. Unless we agree

otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions, or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic, or equipment failure. We will not provide you with next day notice of ACH transfers, wire transfers, and other electronic payments credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cutoff times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. If a request for a fund transfer, payment order, cancellation, or amendment is received after a cutoff time, it may be treated as having been received on the next fund transfer business day. Information about any cutoff times is available upon request. From time to time, we may need to suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law, and this action may affect settlement or availability of the transaction. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number, even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order, even if that person did not initiate the order. We may refuse any request to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request that we accept to amend or cancel a payment order will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic fund transfer transactions. We will notify you of any such security procedures. Unless we permit you to establish a different security procedure, you agree that the security procedures contained in the Credit Union's policies, of which we have notified you, are commercially reasonable verification of payment orders and other electronic fund transfers. If we permit you to establish a different security procedure, you agree that procedure is a commercially reasonable method of verifying electronic funds transfers. If we conduct a remittance transfer(s) on your behalf acting as a remittance transfer provider, such transactions will be governed by 12 C.F.R. part 1005, subpart B-Requirements for remittance transfers. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

**11. ACCOUNT RATES AND FEES** — We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. We may change the Truth-in-Savings Disclosure or Schedule of Fees and Charges at any time and will notify you as required by law.

## **12. TRANSACTION LIMITATIONS** —

**a. Withdrawal Restrictions.** We will pay checks or drafts, permit withdrawals and make transfers from available funds in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals and make transfers from your account from insufficient available funds if you have established an overdraft protection plan or, if you do not have such a plan with us, according to our overdraft payment policy.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly: for example, (1) a dispute between account owners (unless a court has ordered the credit union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; or (5) you fail to repay a credit union loan on time. We may require you to give written notice of seven (7) days to 60 days before any intended withdrawals.

**b. Transfer Limitations.** We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Funds Transfer Agreement and Disclosure.

**13. 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 Truth-in-Savings Disclosure and Account Deposit Receipt for each account, the terms of which are incorporated herein by reference.

## **14. OVERDRAFTS** —

**a. Payment of Overdrafts.** If, on any day, the available funds in your share or deposit account are not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee, that is posted to your account, we may return the item or pay it, as described below. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have sufficient available funds in order to pay an item. Your account may be subject to a charge for each item regardless of whether we pay or return the item.

If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from another account of yours to cover an insufficient item, including transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Schedule of Fees and Charges.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us, or if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

**b. How Payments are Posted to Your Account.** Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**Credits.** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure provided at the time you opened your account for details regarding the timing and availability of funds from deposits.

**Debits.** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.
- **ACH Payments.** We receive several data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day from low to high dollar value per file received.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

**c. Understanding Your Account Balance.** Your share draft account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance online at [ctelco.org](http://ctelco.org), at an ATM, by visiting a credit union branch or by calling us at 800-622-5305.

**15. POSTDATED AND STALEDATED DRAFTS —** You agree not to issue any check or draft that is postdated. If you do issue a check or draft that is payable on a future date and we pay it before that date, you agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six (6) months past its date.

## **16. STOP PAYMENT ORDERS —**

**a. Stop Payment Order Request.** Any owner may request a stop payment order on any check or draft drawn on the owner's account. To be binding the order must be in writing, dated, signed, and must accurately describe the check or draft including the exact account

number, check or draft number and the exact amount of the check or draft. This exact information is necessary for the credit union's computer to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity for us to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to us all of your rights against the payee or other holders of the check or draft and to assist us in any legal action.

**b. Duration of Order.** You may make an oral stop payment order which will lapse within 14 calendar days unless confirmed in writing within that time. Written stop payment orders are effective for six (6) months and may be renewed for additional six (6) month periods by requesting in writing that the stop payment order be renewed within a period during which the stop payment order is effective. We are not required to notify you when a stop payment order expires.

**c. Liability.** Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. You may not stop payment on any certified check, cashier's check, teller'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 the credit union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

**17. CREDIT UNION 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: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) 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 financial institution 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 Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

**18. CHECKS OR DRAFTS PRESENTED FOR PAYMENT IN PERSON —** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable check or draft cashing fees are stated in the Schedule of Fees and Charges.

**19. REMOTELY CREATED CHECKS —** For purposes of this paragraph, "account" means a transaction account, credit account, and any other account on which checks (share drafts) may be drawn. A remotely created check is a check created by someone other than the person on whose account the check is drawn. A remotely created check is generally created by a third party payee as authorized by the owner of the account on which the check is drawn. Authorization is usually made over the telephone or through on-line communication. The owner of the account does not sign a remotely created check. In place of the owner's signature, the remotely created check usually bears a statement that the owner authorized the check or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check against your account, you may not later revoke your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check for which the third party has proof of your authorization.

**20. PLEDGE/STATUTORY LIEN —** Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law, depending upon whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by state or federal law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

**Your pledge and our statutory lien rights will allow us to apply the funds in your account to what you owe when you are in default, except as limited by state or federal law.** If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

**21. 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.

**22. 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: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; or (4) you give us written permission.

## **23. NOTICES —**

**a. Name or Address Changes.** You are responsible for notifying us of any address or name change. The credit union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to

be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.

**b. Notice of Amendments.** Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any change 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.

**c. 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. Notice to any account owner is considered notice to all account owners.

**d. Electronic Notices.** If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

**24. TAXPAYER IDENTIFICATION NUMBERS AND 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.

## **25. STATEMENTS —**

**a. 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 (1) statement is necessary for joint accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the credit union and may not be returned to you, but copies may be retained by us or be 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 sent to you. You also understand and agree that checks, drafts or copies thereof are made available to you on the date the statement is sent to you, even if the checks or drafts do not accompany the statement.

**b. Examination.** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within 33 days of the date we sent the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

**c. Notice to Credit Union.** You agree that the credit union's retention of checks or 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 charged to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

**26. INACTIVE ACCOUNTS —** If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Truth-in-Savings Disclosure or Schedule of Fees and Charges, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee, as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges, 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.

**27. 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 instructions 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 provide us with 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 Card and accepted by us.

**28. 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: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, draft, withdrawal, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

**29. TERMINATION OF MEMBERSHIP —** You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all your accounts. You may be denied services for causing a loss to the credit union or you may be expelled for any reason as allowed by applicable law.

**30. DEATH OF ACCOUNT OWNER —** We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we know of a member's death. Once we know of a member's death, we may pay checks or drafts or honor other payments

or transfer orders authorized by the deceased member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks, 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.

**31. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES** — You agree that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful Internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful Internet gambling or other illegal activities.

**32. 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 and 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.

**33. ENFORCEMENT** — You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, costs or expenses 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 the payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

**34. GOVERNING LAW** — This Agreement is governed by the credit union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which the credit union's main office is located, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the credit union is located.

**35. NEGATIVE INFORMATION NOTICE** — We may report information about your loan, share or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.



**BILLING RIGHTS NOTICE  
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act. **NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT.** If you think your statement is wrong, or if you need more information about a transaction on your statement, write us on a separate sheet at the address listed on your statement. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay a credit card account automatically from your share account or share draft account, you can stop the payment on any amount you think is wrong. To stop the payment your letter must reach us three business days before the automatic payment is scheduled to occur.

**YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE.** We must acknowledge your letter within 30 days unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the statement was correct. After we receive your letter, we cannot try to collect any amount you question or report you as delinquent. We can continue to send statements to you for the amount you question, including finance charges, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question. If we find that we made a mistake on your statement, you will not have to pay any finance charges related to any questioned amount. If we didn't make a mistake, you may have to pay finance charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your statement was correct.

**SPECIAL RULE FOR CREDIT CARD PURCHASES.** If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right: (a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and (b) The purchase price must have been more than \$50. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services. Further, the Credit Union has no liability for any tort or related claims arising from such purchases.

**FACTS** WHAT DOES CAROLINAS TELCO FEDERAL CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?

**Why?** Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?** The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- account transactions and checking account information
- transaction history and wire transfer instructions

When you are no longer our member, we continue to share your information as described in this notice.

**How?** All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons Carolinas Telco Federal Credit Union chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Carolinas Telco Federal Credit Union share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or to report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	No	We don't share
<b>For non-affiliates to market to you</b>	No	We don't share

**Questions?** Call toll-free 1-800-622-5305

<b>What we do</b>	
<b>How does Carolinas Telco Federal Credit Union protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Carolinas Telco Federal Credit Union collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>- open an account or show your government-issued ID</li> <li>- apply for financing or provide account information</li> <li>- give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>- sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>- affiliates from using your information to market to you</li> <li>- sharing for non-affiliates to market to you</li> </ul> <p>State law and individual companies may give you additional rights to limit sharing.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>- <i>Carolinas Telco Federal Credit Union has no affiliates.</i></li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>- <i>Carolinas Telco Federal Credit Union does not share with our non-affiliates so they can market to you.</i></li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>- <i>Our joint marketing partners include CUNA Mutual Group's MEMBERCONNECT and Affinion.</i></li> </ul>

<b>Other Important Information</b>

## FUNDS AVAILABILITY POLICY DISCLOSURE

This Disclosure describes your ability to withdraw funds at Carolinas Telco Federal Credit Union. It only applies to the availability of funds in transaction accounts. The Credit Union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

**1. GENERAL POLICY** — Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. We have different deposit cutoff hours for different deposit locations. The earliest cutoff time that might apply is 5:00 p.m. If you make a deposit before our cutoff hour 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 our cutoff hour or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Our cutoff hours are available at the Credit Union.

**2. RESERVATION OF RIGHT TO HOLD** — In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Funds may not be available until the second business day after the day of your deposit. However, the first \$200.00 of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same 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 by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

**4. LONGER DELAYS MAY APPLY** — We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000.00 on any one (1) day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as failure of 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 no later than the seventh business day after the day of your deposit.

**5. 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 \$5,000.00 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 next 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 \$5,000.00 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 \$5,000.00 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 ninth business day after the day of your deposit.

**6. DEPOSITS AT NONPROPRIETARY ATMS** — Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

## ELECTRONIC FUND TRANSFERS AGREEMENT AND DISCLOSURE

This Electronic Fund Transfers Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic fund transfers (EFT) services offered to you by Carolinas Telco Federal Credit Union ("Credit Union"). In this Agreement, the words "you", "your" and "yours" mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one (1) or more share and share draft accounts you have with the Credit Union. Electronic fund transfers are electronically initiated transfers of money from your account through the EFT services described below. By signing an application or account card for EFT services, signing your card, or using any service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered.

**1. EFT SERVICES.** If approved, you may conduct any one (1) or more of the EFT services offered by the Credit Union. The member must be at least 13 years of age in order to have an ATM or Debit Card issued in their name.

**a. ATM Card.** If approved, you may use your card and personal identification number (PIN) in automated teller machines (ATMs) of the Credit Union, STAR, Cirrus, Pulse networks, and such other machines or facilities as the Credit Union may designate. For ATM transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from this type of transaction. Services and fees for ATM overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

At the present time, you may use your card to:

- Make deposits to your share and share draft accounts.
- Withdraw funds from your share and share draft accounts.
- Transfer funds from your share and share draft accounts.
- Obtain balance information for your share and share draft accounts.

Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at POS terminals that carry STAR, Cirrus, Pulse network logo(s).

The following limitations on the frequency and amount of ATM transactions may apply:

- There is no limit on the number of cash withdrawals you may make in any one (1) day.
- You may withdraw up to a maximum of \$405 in any one (1) day, if there are sufficient funds in your account.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal.

**b. Visa Check Card.** If approved, you may use your card to purchase goods and services from participating merchants. However, you may not use your card to initiate any type of electronic gambling transactions through the Internet. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your card purchases will be deducted from your share draft account. For one-time debit transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transaction. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

For other types of transactions, if the balance in your account is not sufficient to pay the transaction amount, the Credit Union may pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts, or loan accounts that you have established with the Credit Union. If you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement. You may use your card and personal identification number (PIN) in ATMs of the Credit Union, Interlink, Visa, Pulse, STAR, Cirrus networks, and such other machines or facilities as the Credit Union may designate. At the present time, you may also use your card to:

- Make deposits to your share and share draft accounts.
- Withdraw funds from your share and share draft accounts.
- Transfer funds from your share and share draft accounts.
- Obtain balance information for your share and share draft accounts.
- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at merchants that accept Visa.
- Order goods or services by mail or telephone from places that accept Visa.

The following limitations on the frequency and amount of Visa Check Card transactions may apply:

- There is no limit on the number of Visa Check Card purchases you make per day.
- Purchase amounts are limited to the amount in your account.
- There is no limit to the number of cash withdrawals you may make in any one (1) day from an ATM machine.
- You may withdraw up to a maximum of \$405 in any one (1) day from an ATM machine, if there are sufficient funds in your account.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- You may purchase up to a maximum of \$405 from POS terminals per day, if there are sufficient funds in your account.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

**c. Health Savings Account.** If you will be using your debit card to access a Health Savings Account (HSA), portions of this Agreement governed by Regulation E will not apply. A HSA account as defined by the IRS is a trust account, and therefore is not covered under Reg. E. But portions of this Agreement such as Visa "0" liability for unauthorized use for example, does apply. Funds to cover your card purchases will be deducted from your Health Savings account. You may use your card and security code in ATMs of the Credit Union, networks, and such other machines or facilities as the Credit Union may designate.

At the present time, you may also use your card to:

- Make deposits to your Health Savings accounts.
- Transfer funds from your Health Savings accounts.
- Make point-of-sale (POS) transactions with your card and security code to purchase goods or services at merchants that accept Visa.
- Order goods or services by mail or telephone from places that accept Visa.

The following limitations on the frequency and amount of Health Savings Account transactions may apply:

- There is no limit on the number of Health Savings Account purchases you make per day.
- Purchase amounts are limited to the amount in your account.
- There is no limit to the number of cash withdrawals you may make in any one (1) day from an ATM machine.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

**6. Telco Teller.** If we approve Telco Teller for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts.

At the present time, you may use Telco Teller to:

- Withdraw funds from your share and share draft accounts.
- Transfer funds from your share and share draft accounts.
- Obtain balance information for your share, share draft, and Club accounts.
- Make loan payments from your share and share draft accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Telco Teller via a touch-tone telephone only. Telco Teller service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing.

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one (1) day.
- See Section 2 for transfer limitations that may apply to these transactions.

The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each telephone call.

**e. Preauthorized EFTs.**

- **Direct Deposit.** Upon instruction of (i) your employer, (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your share and/or share draft account.
- **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your share and/or share draft accounts.
- See Section 2 for transfer limitations that may apply to these transactions.
- **Stop Payment Rights.** If you have arranged in advance to make electronic fund transfers out of your account(s) for money you owe others, you may stop payment on preauthorized transfers from your account. You must notify us orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within 14 days of any oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made. A stop payment request for preauthorized Electronic Funds Transfers will apply to all subsequent transfers, unless you withdraw the request.
- **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you, ten (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 Transfers.** If you order us to stop payment of a preauthorized transfer three (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.

**f. Electronic Check Conversion/Electronic Returned Check Fees.** If you pay for purchases or bills with a check or draft, you may authorize your check or draft to be converted to an electronic fund transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic fund transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

**g. Telco NetBranch.** If we approve Telco NetBranch for your accounts, a separate personal identification number (PIN) or Password will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time, you may use Telco NetBranch to:

- Withdraw funds from your share and share draft accounts.
- Transfer funds from your share and share draft accounts.
- Obtain balance information for your share, share draft, loan, Club, and certificate accounts.
- Make loan payments from your share and share draft accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.
- Make bill payments to preauthorized creditors.

Your accounts can be accessed under Telco NetBranch via personal computer. Telco NetBranch will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one (1) day.
- See Section 2 for transfer limitations that may apply to these transactions.

**h. Telco Bill Payer.** We will process bill payment transfer requests only to those creditors the Credit Union has designated in the User Instructions and such creditors as you authorize and for whom the Credit Union has the proper vendor code number. We will not process any bill payment transfer if the required transaction information is incomplete.

We will withdraw the designated funds from your share draft account for bill payment transfer by the designated cutoff time on the date you schedule for payment. We will process your bill payment transfer within a designated number of days before the date you are scheduled for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. Please leave as much time as though you were sending your payment by mail. We cannot guarantee the time that any payment will be credited to your account by the vendor.

- There is no limit on the number of bill payments per day.

## 2. TRANSFER LIMITATIONS — None.

## 3. CONDITIONS OF EFT SERVICES —

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

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

**c. Foreign Transactions. Visa.** Purchases and cash withdrawals 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 central 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 percent of the amount of the transaction, calculated in U.S. dollars, will be imposed on all multiple currency foreign transactions, including purchases, cash withdrawals and credits to your account. A fee of 0.8 percent of the amount of the transaction, calculated in U.S. dollars, will be imposed on all single currency foreign transactions, including purchases, cash withdrawals and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates.

**d. Security of Access Code.** You may use one (1) or more access codes with your electronic fund transfers. The access codes issued to you are for your security purposes. Any codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

**e. Joint Accounts.** If any of your accounts accessed under this Agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this Agreement and, alone and together, shall be responsible for all EFT transactions to or from any share and share draft or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and is hereby authorized by every other joint account owner, make any transaction permitted under this Agreement. Each joint account owner is authorized to

act for the other account owners, and the Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

**4. FEES AND CHARGES** — There are certain fees and charges for EFT services. For a current listing of all applicable fees, see our current Schedule of Fees and Charges that was provided to you at the time you applied for or requested these electronic services. From time to time, the charges may be changed. We will notify you of any changes as required by applicable law.

If you use an ATM not operated by us, you may be charged a fee by the ATM operator and by any national, regional, or local network used in processing the transaction (and you may be charged a fee for a balance inquiry even if you do not complete a funds transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

**5. MEMBER LIABILITY** — You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts.

TELL US AT ONCE if you believe your card has been lost or stolen, if you believe someone has used your card or access code or otherwise accessed your accounts without your authority, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line-of-credit). If a transaction was made with your card or card number without your permission and was either a Visa or Interlink transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your account or card. For all other EFT transactions, including ATM transactions or if you were grossly negligent in the handling of your account or card, your liability for an unauthorized transaction is determined as follows.

If you tell us within two (2) business days you can lose no more than \$50 if someone used your card without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card and we can prove we could have stopped someone from using your card 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 lost after the 60 days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we could extend the time periods.

If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call:

(704) 391-5600  
(800) 622-5305

or write to:

Carolinas Telco Federal Credit Union  
2821 Crisman Street  
Charlotte, NC 28208  
Fax: (704) 391-5648

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

#### **6. RIGHT TO RECEIVE DOCUMENTATION** —

**a. Periodic Statements.** Transfers and withdrawals made through any ATM or POS terminal, debit card transactions, HSA debit card transactions, audio response transactions, preauthorized EFTs, online/PC transactions or bill payments you make will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

**b. Terminal Receipt.** You can get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM and/or point-of-sale (POS) terminal.

**c. Direct Deposit.** If you have arranged to have a direct deposit made to your account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling (704) 391-5600 or (800) 622-5305. This does not apply to transactions occurring outside the United States.

#### **7. ACCOUNT INFORMATION DISCLOSURE** — We will disclose information to third parties about your account or the transfers you make:

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- If your account is eligible for emergency cash and/or emergency card replacement services and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s);
- To comply with government agency or court orders; or
- If you give us your written permission.

**8. BUSINESS DAYS** — Our business days are Monday through Friday, excluding holidays.

**9. CREDIT UNION 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 may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy Disclosure, or if the transaction involves a loan request exceeding your credit limit.



- If you used your card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- If the error was caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your willful or negligent use of your card, access code, or any EFT facility for making such transfers.
- If the telephone or computer equipment you use to conduct audio response or online/PC transactions is not working properly and you know or should have known about the breakdown when you started the transaction.
- If you have bill payment services, we can only confirm the amount, the participating merchant, and date of the bill payment transfer made by the Credit Union. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. We are not responsible for investigating such errors.
- Any other exceptions as established by the Credit Union.

**10. NOTICES** — All notices from us will be effective when we have mailed them or delivered them to your last known address in the Credit Union's records. Notices from you will be effective when received by the Credit Union at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least 21 days before the effective date of any change. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

The following information is a list of safety precautions regarding the use of ATMs and night deposit facilities:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- Close the entry door of any ATM facility equipped with a door.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your card or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number (PIN) or access code on your ATM card.
- Report all crimes to law enforcement officials immediately. If emergency assistance is needed, call the police from the nearest available public telephone.

**27. BILLING ERRORS** — In case of errors or questions about electronic fund transfers from your share and share draft accounts or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than 60 days after we sent the first statement on which the problem appears. Call us at:

(704) 391-5600  
(800) 622-5305

or write to:

Carolinas Telco Federal Credit Union  
PO Box 668467  
Charlotte, NC 28266-8467  
Fax: (704) 391-5648

- Tell us your name and account number.
- Describe the electronic transfer you are unsure about and explain, as clearly as you can, why you believe the Credit Union has made an error or why you need more information.
- Tell us the dollar amount of the suspected error.

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

We will determine whether an error has occurred within ten (10)\* business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45\*\* days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10)\* business days for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

We will tell you the results within three (3) 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.

\* If you give notice of an error within 30 days after you make the first deposit to your account, we will have 20 business days instead of ten (10) business days to investigate the error.

\*\* If you give notice of an error within 30 days after you make the first deposit to your account, notice of an error involving a POS transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we will have 90 days instead of 45 days to investigate the error.

**NOTE:** If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within five (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within ten (10) business days.

**12. TERMINATION OF EFT SERVICES** — You may terminate this Agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your card and any access code. You must return all cards to the Credit Union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card or access code for any EFT service. Whether you or the Credit Union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any electronic transactions made prior to termination.

**13. GOVERNING LAW** — This Agreement is governed by the bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of North Carolina, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

**14. ENFORCEMENT** — You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct and/or offset any such losses, costs or expenses from any of your accounts 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 and costs, including fees on any appeal, bankruptcy proceedings, and any post judgment collection actions.

The rates, fees, and terms applicable to your account at the Credit Union are provided in this Truth-in-Savings Disclosure. The Credit Union may offer other rates for these accounts from time to time.

**RATE SCHEDULE**

ACCOUNT TYPE	DIVIDENDS				BALANCE REQUIREMENTS				ACCOUNT LIMITATIONS
	Dividend Rate / Annual Percentage Yield (APY)	Dividends Compounded	Dividends Credited	Dividend Period	Minimum Opening Deposit	Minimum Balance to Avoid a Service Fee	Minimum Balance to Earn the Stated APY	Balance Method	See Section 6
Prime Share Savings	0.35% / 0.35%	Monthly	Monthly	Monthly (calendar)	\$5.00	\$5.00	\$5.00	Average Daily Balance	—
Special Share Savings	0.35% / 0.35%	Monthly	Monthly	Monthly (calendar)	—	—	—	Average Daily Balance	—
Vacation Savings	0.35% / 0.35%	Monthly	Monthly	Monthly (calendar)	—	—	—	Average Daily Balance	—
Christmas Club	0.35% / 0.35%	Monthly	Monthly	Monthly (calendar)	—	—	\$200.00	Average Daily Balance	Account withdrawal limitations apply
IRA Savings	0.45% / 0.45%	Monthly	Monthly	Monthly (calendar)	\$50.00	—	—	Average Daily Balance	—
Health Savings	0.70% / 0.71%	Monthly	Monthly	Monthly (calendar)	—	—	—	Average Daily Balance	—
Estate Share Savings	0.35% / 0.35%	Monthly	Monthly	Monthly (calendar)	\$5.00	\$5.00	\$5.00	Average Daily Balance	—
Trust Savings	0.35% / 0.35%	Monthly	Monthly	Monthly (calendar)	\$100.00	—	—	Average Daily Balance	—
Share Draft	0.10% / 0.10%	Monthly	Monthly	Monthly (calendar)	—	—	—	Average Daily Balance	—
Rewards Checking <i>Requirements met (see Section 1)*</i>	1.50% / 1.51% \$0 to \$15,000.00	Monthly	Monthly	Monthly (calendar)	—	—	—	Average Daily Balance	—
	0.10% / 0.10% \$15,000.01 and up								
<i>Requirements not met (see Section 1)*</i>	0.10% / 0.10% \$0 and up								

**ACCOUNT DISCLOSURES**

Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-in-Savings Disclosure are share accounts.

**1. Rate Information.** The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For all accounts, the Dividend Rate and Annual Percentage Yield may change at any time as determined by the Credit Union's Board of Directors. The Dividend Rates and Annual Percentage Yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. The Rewards Checking account is a Tiered Rate account. Please refer to section 2 for additional details about this account.

**2. Rewards Checking Account.** The Rewards Checking account is a tiered rate account. If your Average Daily Balance is \$15,000.00 or below and you meet all of the following minimum service requirements during the qualification period, the first Dividend Rate and Annual Percentage Yield listed for this account in the Rate Schedule will apply for the dividend period. If your balance is greater than \$15,000.00 and you meet all of the minimum service requirements, the second Dividend Rate and range of Annual Percentage Yields listed for this account will apply for the dividend period. Each Dividend Rate will apply only to that portion of the account balance within each balance range. If you do not meet all of the minimum service requirements during the qualification period, the third Dividend Rate and Annual Percentage Yield listed for this account will apply to the entire balance in the account. In addition, we will refund up to \$25.00 in domestic ATM Fees assessed. An ATM receipt must be provided for any ATM fee of \$5.00 or greater to receive the refund. For Rewards Check accounts, you may also qualify for Monthly rewards if you meet the applicable minimum qualification requirements for the monthly qualification cycle. To meet the minimum qualification requirements, you must: 1) you have at least one (1) direct deposit to your Rewards Checking account, one (1) ACH debit from your Rewards Checking account, or one (1) bill payment through Telco Bill Payer; 2) you complete a minimum of 12 VISA Check Card point-of-sale transactions; and 3) you receive your monthly statement electronically. The qualification period is defined as a period beginning on the last business day of the prior month and continuing through the next-to-last business day of the month in which the dividends are paid.

**3. Nature of Dividends.** Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

**4. Dividend Compounding and Crediting.** The compounding and crediting frequency of dividends and dividend period applicable to each account are stated in the Rate Schedule. The Dividend Period is the period of time at the end of which an account earns dividend credit. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.

**5. Accrual of Dividends.** For all earning accounts, dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account. For all accounts, if you close your account before accrued dividends are credited, you will not receive the accrued dividends. However, for Christmas Club accounts, any accrued dividends will be paid if you close the account within seven (7) days of the date you open it.

**6. Balance Information.** To open any account, you must deposit or already have on deposit the minimum required share(s) in a Prime Share Savings account. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are set forth in the Rate Schedule. For Prime Share Savings and Estate Share Savings accounts, there is a minimum daily balance required to avoid a service fee for the dividend period. If the minimum daily balance requirement is not met during each day of the dividend period, you will be charged a service fee as stated in the Fee Schedule. For Prime Share Savings, Christmas Club, IRA Savings, and Estate Share Savings accounts, there is a minimum average daily balance required to earn the annual percentage yield disclosed for the dividend period. If the minimum average daily balance requirement is not met, you will not earn the annual percentage yield stated in the Rate Schedule. For accounts using the average daily balance method as stated in the Rate Schedule, dividends are calculated by applying a periodic rate to the average daily balance in the account for the dividend period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

**7. Account Limitations.** For Christmas Club accounts, the entire balance will be transferred to another account of yours on or after the first business day of November and the account will remain open. You may not make withdrawals from your account at any other time. If you wish to access the funds in your Christmas Club account, you may close it. For Prime Share Savings, Special Share Savings, Vacation Savings, IRA Savings, Estate Share Savings, Health Savings, Trust Savings, Share Draft, and Rewards Checking accounts, no account limitations apply.

**8. Fees for Overdrawing Accounts.** Fees for overdrawing your account may be imposed on each check, draft, item, ATM transaction and one-time debit card transaction (if member has consented to overdraft protection plan for ATM and one-time debit card transactions), preauthorized automatic debit, telephone initiated withdrawal or any other electronic withdrawal or transfer transaction that is drawn on an insufficient available account balance. The entire balance in your account may not be available for withdrawal, transfer or paying a check, draft or item. You may consult the Funds Availability Policy Disclosure for information regarding the availability of funds in your account. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the draft, item or transaction. If we have approved an overdraft protection limit for your account, such fees may reduce your approved limit. Please refer to the Fee Schedule for current fee information.

For ATM and one-time debit card transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the credit union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

**9. Membership.** As a condition of membership, you must purchase and maintain the minimum required share(s) and pay a nonrefundable membership fee as set forth below.

Par Value of One Share      \$5.00

Number of Shares Required    1

**10. Rates.** The rates appearing with this Schedule are accurate as of the effective date indicated on this Truth-in-Savings Disclosure. If you have any questions or require current rate information on your accounts, please call the Credit Union.

**Maturity Date: Disclosed When Opened**

SHARE CERTIFICATE AND IRA RATE SCHEDULE									
	Dividend Rate / Annual Percentage Yield (APY)	Rate Type	Minimum Opening Deposit	Dividends Compounded	Dividends Credited	Dividend Period	Additional Deposits	Withdrawals	Renewable
<b>Share Certificate Accounts</b>									
6 Month	<b>0.90% / 0.90%</b>	Fixed Rate	\$500.00	Monthly	Monthly	Account's Term	Not Allowed	Allowed – See Transaction Limitation Section	Automatic
12 Month	<b>1.25% / 1.26%</b>								
24 Month	<b>1.50% / 1.51%</b>								
36 Month	<b>1.85% / 1.87%</b>								
48 Month	<b>2.25% / 2.27%</b>								
<b>IRA Certificate Accounts</b>									
6 Month	<b>1.00% / 1.00%</b>	Fixed Rate	\$500.00	Monthly	Monthly	Account's Term	Not Allowed	Allowed – See Transaction Limitation Section	Automatic
12 Month	<b>1.35% / 1.36%</b>								
24 Month	<b>1.60% / 1.61%</b>								
36 Month	<b>1.95% / 1.97%</b>								
48 Month	<b>2.35% / 2.38%</b>								
<b>Promotional Certificate</b>									
24 Months	<b>2.25% / 2.27%</b>	Fixed Rate	\$5,000.00	Monthly	Monthly	Account's Term	Not Allowed	Allowed – See Transaction Limitations Section	Automatic

**SHARE CERTIFICATE AND IRA DISCLOSURE**

**Except as specifically described, the following disclosures apply to all of the accounts. All accounts described in this Truth-in-Savings Disclosure are share accounts.**

**1. Rate Information.** The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. For Share Certificate and IRA Certificate accounts, the Dividend Rate and Annual Percentage Yield are fixed and will be in effect for the initial term of the account. For accounts subject to dividend compounding, the Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

**2. Dividend Period.** For each account the dividend period is the account's term. The dividend period begins on the first day of the term and ends on the maturity date.

**3. Dividend Compounding and Crediting.** The compounding and crediting frequency of dividends are stated in the Rate Schedule. For all accounts, at your option, you may choose to have dividends credited to your certificate account, paid to you by check or transferred to another account of yours. If you elect to have dividends paid to you by check or transferred to another account, compounding will not apply.

**4. Balance Information.** To open any account, you must deposit or already have on deposit the minimum required share(s) in a Prime Share Savings account. Some accounts may have additional minimum opening deposit requirements. The minimum balance requirements applicable to each account are set forth in the Rate Schedule. For all accounts, dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the dividend period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

**5. Accrual of Dividends.** For all accounts, dividends will begin to accrue on noncash deposits (e.g. checks) on the business day you make the deposit to your account.

**6. Transaction Limitations.** For all accounts, your ability to make deposits to your account and any limitations on such transactions are stated in the Rate Schedule. After your account is opened, you may make withdrawals subject to the early withdrawal penalties stated below.

**7. Maturity.** Your account will mature as stated on this Truth-in-Savings Disclosure or on your Account Receipt or Renewal Notice.

**8. Early Withdrawal Penalty.** We may impose a penalty if you withdraw from your account before the maturity date.

**a. Amount of Penalty.** For all accounts, the amount of the early withdrawal penalty is based on the term of your account. The penalty schedule is as follows:

Terms of 12 months or less	90 days' dividends
Terms of longer than 12 months	180 days' dividends

**b. How the Penalty Works.** The penalty is calculated as a forfeiture of part of the dividends that have been or would be earned on the account. It applies whether or not the dividends have been earned. In other words, if the account has not yet earned enough dividends or if the dividends have already been paid, the penalty will be deducted from the principal.

**c. Exceptions to Early Withdrawal Penalties.** At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances:

- (i) When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.
- (ii) Where the account is an Individual Retirement Account (IRA) and any portion is paid within seven (7) days after the establishment; or where the account is a Keogh Plan (Keogh), provided that the depositor forfeits an amount of at least equal to the simple dividends earned in the amount withdrawn; or where the account is an IRA or Keogh and the owner attains age 59 ½ or becomes disabled.

**9. Renewal Policy.** The renewal policy for your accounts is stated in the Rate Schedule. For accounts that automatically renew for another term, you have a grace period of seven (7) days after maturity in which to withdraw funds in the account without being charged an early withdrawal penalty.

**10. Nontransferable/Nonnegotiable.** Your account is nontransferable and nonnegotiable.

**11. Membership.** As a condition of membership, you must purchase and maintain the minimum required share(s) as set forth below.

Par Value of One Share	\$5.00
Number of Shares Required	1

**FEE SCHEDULE**

<b>GENERAL FEES</b>	
Account Reconciliation	\$20.00/Hour
Account Closure	\$25.00 if closed within 90 days of opening
Copy of Telco Check	\$5.00/Item
Credit Card Rush	\$25.00/Card
Deposit Item Return	\$30.00/Item
Dormant Account	\$2.00/Month
Escheat	\$50.00/Account
Gift Card	\$3.00/Item
Inactive Account	\$10.00/Month if no activity after two (2) years and balance is less than \$500.00 (members age 18 and older)
Incorrect Address	\$10.00/Month after two (2) months if not corrected through online banking or in writing
IRS Form Copy	\$2.00/Copy
Item Sent for Collection	\$10.00/Item
Legal Process (tax levies, summons)	\$35.00/Occurrence
Lien Recording	\$15/Lien
Mortgage Verification of Deposit	\$10.00/Request
Skip A Payment	\$29.00/Request
Statement Copy	\$2.00/Copy For request of print-out only – Copies available through online banking for free.
Stop Payment	\$30.00/Item
Teller Check for Non-Checking Account Members	\$2.00/Item
Wire Transfer (Incoming)	\$10.00/Transfer
Wire Transfer (Outgoing)	\$20.00/Transfer

Share Draft Copy	\$2.00/Copy for request of print-out only – Copies available through online banking for free
Stop Payment	\$30.00/Item

<b>EFT FEES</b>	
ACH NSF	\$30.00/Item
ACH Overdraft	\$30.00/Item
ATM Transaction	\$0.75 for each ATM transaction after five (5) per month on each account (Share Savings, Share Draft accounts)
Card Replacement	\$5.00/Card
Card Rush	\$40.00/Card
Currency Conversion	1% of transaction amount
Debit Card Overdraft	\$30.00/Item

<b>SPECIFIC ACCOUNT FEES</b>	
<b>Prime Share Savings – Failure to Maintain Minimum Balance</b>	\$5.00/Month if minimum daily balance is not met
<b>Estate Share Savings - Failure to Maintain Minimum Balance</b>	\$5.00/Month if minimum daily balance is not met

**LOCATIONS**

Carolinas Telco Federal Credit Union  
2821 Crisman Street  
Charlotte, NC 28208

Phone: (704) 391-5600  
Fax: (704) 391-5648

Toll Free Number: 1-800-622-5305  
Web Address: www.ctelco.org

<b>SHARE DRAFT ACCOUNT FEES</b>	
Check/Share Draft Printing	Prices may vary depending upon style.
NSF	\$30.00/Item
Overdraft	\$30.00/Item
Returned Item	\$30.00/Item

