

# GENERAL TERMS AND CONDITIONS OF YOUR CREDIT UNION ACCOUNTS

## Definitions

**Account Agreement** means any share, checking, share certificate, trust, totten trust or UTMA account.

**TIS Agreement** means Truth In Savings Agreement entitled, "About Your Credit Union Accounts."

## Membership & Account Application

The terms, conditions and information contained in the Membership & Account Application, and all amendments thereto, are by this reference hereby incorporated in their entirety into this TIS Agreement and become an integral part of the General Terms and Conditions of the Credit Union Accounts.

## Account Ownership

The ownership of trust, totten trust and UTMA accounts shall be governed by the applicable Account Agreement. Unless otherwise specified in the Account Agreement, the parties who sign an Account Agreement agree with each other and with the Credit Union that all funds in the accounts shall be owned as follows:

- **Individual Accounts:** The account or certificate is owned by the party named on the Account Agreement ("Account Holder"). Upon the death of the party, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) on the Account Agreement.
- **Joint Accounts:** The account or certificate is owned by the parties named on the Account Agreement ("Account Holder"). Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s), designated as the beneficiary named on the Account Agreement.

## Special Rules for Joint Accounts

**Withdrawals by and Liability of Joint Owners** - The Account Holders of an account agree with each other and with the Credit Union that all funds and all accumulations thereon are subject to the withdrawal or receipt by any of the Account Holders, and payment to any of them shall be valid and discharge the Credit Union from any and all liability for such payment. The Account Holders of an account expressly agree that each Account Holder is jointly and severally liable for any and all overdrafts, losses or charges to an account created by any Account Holder(s).

**Deposits** - The Credit Union may cash or deposit all checks payable to any signer when endorsed by any other signer.

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

## Notice

Notice to one Account Holder shall constitute notice to all persons authorized to have access to the account.

## Ability to Pledge Funds

Any or all of the joint Account Holders may pledge all or any part of the funds as security for a loan or loans with the Credit Union only.

## Enforcement of Liens

All funds in an account remain subject to any and all liens, including but not limited to statutory liens and/or consensual liens, security interests, rights of set off and charges, notwithstanding the source of the contribution.

## Notification of Changes

The right or authority of the Credit Union under an Account Agreement shall not be changed or terminated by the Account Holder(s), except by written notice to the Credit Union, which written notice shall not affect transactions previously made. All parties to an Account Agreement shall keep the Credit Union informed of any change in their address(es).

## Waiver of Certain Rights

The Credit Union reserves the right to waive the enforcement of any of the provisions of this TIS Agreement with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions and is not sufficient to modify the terms and conditions of this TIS Agreement.

## Consumer Reports

The Credit Union makes credit available to its members on a regular basis. The Applicant(s)/Account Holder(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the Applicant(s)/Account Holder(s), including but not limited to applying for membership, the opening of a share or share/draft account or the issuance of an ATM card, check card, or other service provided by the Credit Union, and the Applicant(s)/Account Holder(s) of the account authorize any person, association, or corporation to furnish on request of this Credit Union, information concerning the affairs of the Applicant(s)/Account Holder(s).

The Applicant(s)/Account Holder(s) also authorizes the Credit Union to furnish information concerning the account to consumer reporting agencies.

### **Negative Credit Reporting**

Pursuant to State Law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

### **Reporting Inaccurate Information**

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at Tulare County Federal Credit Union at 300 N. K Street, Tulare, CA 93274 so we can investigate.

### **Post-Dated Checks**

The Credit Union will treat all checks as though the checks were written on the date presented.

### **Examination of Statements**

The Account Holder(s) to whom the periodic statement of account is sent agree(s) to exercise reasonable care and promptness in examining the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof.

### **Non-Cash Payments**

Non-cash payments deposited into an account may be credited subject to final payment.

### **Fees and Charges**

All accounts shall be subject to service charges in accordance with fee schedules adopted by the Credit Union as amended from time to time.

### **Credit Union's Right to Offset**

Account Holder(s) agrees that the Credit Union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason. Account Holder(s) understand that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)'s share and dividends in the event of the failure of the Account Holder(s) to satisfy any financial obligation due and payable to the Credit Union. Account Holder(s) understand that the Credit Union may enforce this right without further notice.

### **Other Terms and Conditions**

The use of an account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time.

### **Governing Law**

This TIS Agreement shall be construed in accordance with the laws of the State of California, including the California Uniform Commercial Code (UCC).

#### **⇒ Share Account Agreement**

### **Transfers to Third Parties**

No more than six pre-authorized, automatic, or telephonic transfers may be made from each savings account or money market deposit account to another account at the Credit Union or to a third party in any calendar month, and no more than three of these six transfers may be made by check, draft, debit card, or similar order payable to a third party. If an Account Holder exceeds, or attempts to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer requests, and the Credit Union may reclassify or close the account. Transfers initiated by telephone must be counted among the six monthly transfers, except that there are no limits on the number of withdrawals paid directly to an Account Holder when initiated by mail, telephone or messenger. There are no limits on the number of withdrawals if initiated in person.

### **Withdrawals, Prior Notice Requirement**

The Credit Union reserves the right to require prior written notice of intention to withdraw all or any part of shares not to exceed the notice requirement as set forth in the Credit Union's bylaws.

#### **⇒ Checking Account Agreement**

### **Withdrawals, Approved Methods**

Only check blanks and other methods approved by the Credit Union may be used to withdraw funds from a checking account.

### **Electronic Check Conversion**

Upon prior notification from the merchant to the Account Holder, a purchase made with a share draft or check can be converted to a one-time electronic fund transfer (EFT) if authorized by the Account Holder. The Account Holder may also authorize merchants to electronically debit the account for returned check fees. It is agreed that the Account Holder authorizes the electronic funds transfers if the transaction is completed after being told (orally or by a notice posted) that the transfer may be processed electronically or if the Account Holder signs a written authorization.

### **Demand Drafts**

The Credit Union may pay and charge to the applicable checking account, checks drawn by and payable to any person, organization, association or corporation that has been authorized by an Account Holder to be paid, by the provision of MICR encoded information on the account. It is agreed that the Credit Union's rights in respect to such checks shall be the same personally. This authority shall remain in effect until revoked by an Account Holder in

writing. It is agreed that the Credit Union shall be fully protected in honoring such checks. It is further agreed that if any such check is dishonored, whether with or without cause, and whether intentionally or inadvertently, the Credit Union shall incur no liability whatsoever, even though such dishonor results in the forfeit of insurance, loss or damage of any kind.

### **Overdrafts**

The Credit Union is under no obligation to pay a check which exceeds the balance in an account; the Credit Union may, however, pay such a check and recover or obtain a refund of the amount of the resulting overdraft plus a service charge from any of the Account Holders of this account, each of whom expressly agrees that each Account Holder is jointly and severally liable for any and all overdrafts of this account and any and all associated costs created by any Account Holder.

### **Stale-Dated Checks**

The Credit Union is under no obligation but may pay a check which is presented more than six (6) months after it is dated. The Credit Union may assess a special handling charge upon receipt of any such item in addition to a service charge upon the account in accordance with the fee schedules adopted by the Credit Union and as amended from time to time.

### **Stop Payments**

Any Account Holder(s) of this account may stop payment of any item drawn against the account. The Stop Payment Order must describe the item with reasonable certainty and must be received in such time and manner as to afford the Credit Union a reasonable opportunity to act upon it. A Stop Payment Order is effective for six (6) months, but it lapses after 14 calendar days if the original order was oral and was not confirmed in writing within that 14 day period. The Stop Payment Order may be renewed in writing for an additional six (6) month period.

### **Truncation of Drafts**

The Account Holder(s) acknowledges that checks are truncated and hereby waives any and all rights to receive the items without prejudice to any of the Credit Union's defenses available under the California Uniform Commercial Code (UCC).

### **Liability of Credit Union**

Except for its own lack of good faith or failure to exercise ordinary care, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a check, even if nonpayment results in the forfeit of insurance, loss or damage of any kind.

### **Closure of Account**

The Credit Union may close a checking account at any time. Closure of a checking account will not affect the obligation to pay any outstanding balances or charges owed.

### **For Checking Accounts with Share Overdraft Protection**

If any Account Holder(s) writes a check that would result in this Checking Account being overdrawn, the Credit Union is authorized to charge the designated share account(s), regardless of which party signed the item, in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the check and to credit such charge to this Checking Account. No check overdraft may be paid by charging a share account if, as a result of such charge, that share account would be subject in any one month to more than six pre-authorized, automatic or telephonic transfers.

### **For Checking Accounts with Courtesy Pay**

If any Account Holder(s) writes a check which would result in this Checking Account being overdrawn **after** 30 days of the account being opened, Courtesy Pay will cover up to and including \$500 beyond the available balance. A fee will be charged to the account in the amount specified on the Fee Schedule. Student Checking Accounts are not eligible to receive Courtesy Pay.

Members have the right under Regulation E to opt out of Courtesy Pay at any time.

### **For Checking Accounts with Loan Overdraft Protection**

If any Account Holder(s) writes a check which would result in this Checking Account being overdrawn, and if at that time any Account Holder(s) is eligible to receive loan advances from this Credit Union on a loan designated on the Overdraft Agreement, the Credit Union is authorized to make an advance from the designated loan account, and to credit the advance to this Checking Account in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor such check and any associated fees.

### **⇒ Share Certificate Account Agreement**

### **Pledging Of Funds**

Share certificates may not be pledged, transferred, or assigned to any party other than the Credit Union unless otherwise provided by statute. Shares invested for an Individual Retirement Account (IRA) or Keogh Plan may not be pledged as security for any loan. The Credit Union reserves the right to offset this certificate except as otherwise precluded by law. If the Credit Union offsets funds from this certificate, the funds withdrawn are subject to the early withdrawal penalty.

For more information regarding rates, fees, and updates please visit our website at [www.tularefcu.org](http://www.tularefcu.org) or give us a call at (559) 686-1791.