

Welcome Federal Credit Union

"Credit Union Checking" Policy

July 1, 2010

It is the purpose of this policy to outline acceptable "Credit Union Checking" policies as approved by the Board of Directors.

"Credit Union Checking" accounts are professionally managed transaction accounts that provide members with a convenient, cost-effective service for meeting their financial needs. (Accounts not allowed include: club, commercial, and business accounts.)

The Welcome Federal Credit Union (WFCU) is a separate entity from your company or organization. All Credit Union transactions are completely confidential. Other than Credit Union staff, no one, including your company or organization, has access to any of your personal Credit Union accounts or information.

MEMBER QUALIFICATIONS

- A. Applicant must be a member in "good standing" with WFCU or become a member by establishing a savings account and maintaining it with a minimum account balance of \$25.00.
- B. Applicant must be at least 18 years of age. A minor may open a "Credit Union Checking" account with a member parent as a joint owner who will be jointly and severally liable for all activity on the account.
- C. The Credit Union will utilize a "check reporting service". Applicant's previous checking account history must reflect an ability to properly handle and maintain an account of this nature. Welcome Federal Credit Union reserves the right to decline any checking account applicant who has an adverse checking account history and/or a negative report from the check reporting service.
- D. Periodic deposits will be accepted in person, by mail, direct deposit, wire transfers, or night deposits.
- E. The checking account owner(s) must accept the terms and conditions of Welcome Federal Credit Union Membership and Account Agreement and Disclosures.
- F. It is the responsibility of the Credit Union staff to review each checking account application and to obtain any necessary qualifying information. The Credit Union staff is authorized to verify account, credit, and employment history, and to obtain this information from third parties, including but not limited to, credit and check reporting services.

CHECKING ACCOUNT AGREEMENT

- A. A "Credit Union Checking" account application must be completed by each member wishing to open a checking account. The application will be kept on file at the Credit Union. This form and an initial deposit of at least \$50.00 are required to open the account. The initial deposit may be made by cash, check, or transfer from a Credit Union share account. After the initial deposit, no minimum balance will be required. The "Credit Union Checking" account must be approved by the Credit Union.
- B. As part of the checking account agreement, each applicant will be asked to authorize one of four voluntary procedures to deal with an overdraft situation. Please see Overdraft Protection and Overdrafts section below for information and policies.
- C. Checking accounts cannot be used as security for a loan.

- D. Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of any item presented for payment. Items are defined as: checks, Automatic Clearing House (ACH) items, pre-authorized drafts, etc.

OVERDRAFT PROTECTION AND OVERDRAFTS

The Credit Union offers four methods of covering items presented for payment when there are non-sufficient funds (NSF) in the "Credit Union Checking" account. As part of the checking account agreement, each applicant will be required to authorize one of the four procedures to deal with an overdraft situation. If you do not qualify for an overdraft line of credit, the transfer of shares overdraft protection option will be mandatory. Transfers will normally be in \$100.00 increments (see the 3rd paragraph under overdraft options). The maximum limit for an overdraft line of credit will be set by the Board of Directors.

1. Transfer of shares* from your primary savings account.
2. Transfer of funds by advancing credit available on an approved overdraft line of credit.
3. Transfer of shares* from your primary savings account first, then transfer from the overdraft line of credit.
4. Transfer from the overdraft line of credit first, then transfer of shares from your primary savings account.

If option 1 is chosen, there is a maximum of six (6) automatic transfers allowed per calendar month in accordance with Regulation D. After six automatic transfers have been made within a calendar month from the share account, items presented for payment may be returned NSF*.

If option 3 is chosen, there is a maximum of six (6) automatic transfers allowed per calendar month in accordance with Regulation D. After six automatic transfers have been made within a calendar month from the share account, transfers in increments of \$100.00 from the overdraft line of credit will be made. Once the loan is drawn to your credit limit and the items cannot be fully covered, they will be returned NSF*.

If there is not enough money in your overdraft options (savings or overdraft line of credit) to transfer a full \$100.00 increment, but there is enough money available to pay an item, the overdraft system will transfer those funds.

Note: In accordance with Regulation D, there is a maximum of six (6) transfers allowed from savings per calendar month for point-of-sale transactions*.

You will be notified of overdraft transfers and the action taken by the Credit Union to cover the item(s) on your monthly statement.

The overdraft system will not activate if you are past due on your overdraft line of credit.

Any item presented for payment that cannot be paid using one or a combination of the options listed will be returned unpaid. The Credit Union is not obligated to honor or pay any items exceeding the amount available in the checking account, but can take the account negative to pay NSF items. If we pay a draft or impose a fee* that would otherwise overdraw your account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor bank extra time beyond the midnight deadline limits. WFCU reserves the right to close the "Credit Union Checking" account of any member who abuses the privilege of this service and may refuse to honor any items presented for payment on that account. (See "Closing Checking Accounts", section B, below.)

If you wish to have an overdraft line of credit loan, you must qualify in accordance with our current lending criteria. Advances from the approved loan will normally be in increments of \$100.00 (see page 2) up to your maximum overdraft line of credit limit. The minimum monthly payment will be based on your maximum overdraft line of credit limit and will automatically be deducted from your "Credit Union Checking" account.

The overdraft line of credit is a signature secured loan. Therefore, the interest rate will be determined accordingly by the Board of Directors.

Overdraft protection is established as a service to account owners to minimize the number of items that are returned due to non-sufficient funds. Abuse through excessive overdrafts will result in review and possible closing of the account.

*See ADDENDUM -2-FEE SCHEDULE.

OPENING & MAINTAINING AN ACCOUNT

- A. Minimum balance = \$0.00
- B. Minimum initial deposit = \$50.00

DEPOSITS

Deposits can be made to your checking account by several methods.

1. In person at one of our Credit Union branches.
2. By mailing a check to one of our Credit Union branches.
3. If direct deposit is available through your employer, your entire pay check or an amount you designate, can be deposited in the Credit Union electronically. Prior to the first direct deposit to the Credit Union, you need to notify us with specifics for the distribution of the direct deposit. For example, a total direct deposit of \$700.00 may be split any way you specify, but might be: \$100.00 to savings, \$300.00 to loan payments, and \$300.00 to your checking account.
4. We will accept wire transfers from other financial institutions. The Credit Union will not charge you fees to receive these transfers, however the originating financial institution may impose fees for wiring the funds to us. Please contact the Credit Union for wiring procedures and information. See ADDENDUM-2-Fee Schedule for outgoing wire transfer fees.
5. Depository drop boxes are located on each site where a Credit Union branch is located. Unless otherwise posted at the box location, deposits will be retrieved from the box by 10:00 a.m. each business day. For security and safety purposes, we discourage cash deposits in the depository drop boxes. For locations of the depository drop boxes and information on the procedures for this type of deposit, please contact your nearest Credit Union branch.
6. The Credit Union does not accept Western Union deposits.

DIVIDENDS

Dividends will not be paid on "Credit Union Checking" accounts. This will enable the Credit Union to offer our members this service with minimal fees.

JOINT OWNERSHIP

If the checking account agreement is signed by more than one person, joint owners must be the same as those specified on the member's primary share account. A joint account is owned by two or more individuals with rights of survivorship. The signature of any one of the joint owners is sufficient for access to the account. The Credit Union will not accept a "Credit Union Checking" account that requires more than one authorized signature.

To remove a joint owner from an account, both parties must sign either a notarized statement or notarized Account Change Card. For more information, please contact your most convenient Credit Union Branch.

MEMBER RESPONSIBILITIES

- A. You are expected to exercise extreme care in using your "Credit Union Checking" account. If checks are lost or stolen, you should notify the Credit Union immediately and "stop payment" on the missing checks.
- B. You are expected to maintain an accurate record of your transactions and to reconcile your monthly statement in a timely manner, promptly reporting any discrepancies to the Credit Union.

CLOSING CHECKING ACCOUNTS

A. Voluntary By member

- 1. If you choose to close your "Credit Union Checking" account voluntarily, it is your responsibility to determine the amount of any checks and/or other items outstanding and arrange sufficient funds to cover them.
- 2. You must also return all unused checks to the Credit Union for destruction. This will prevent loss or subsequent use of these checks.
- 3. No refund will be made for the printing cost of any unused checks.
- 4. If you have established pre-authorized payments, immediately notify those companies that you have closed your checking account.

B. Force-Closed By Credit Union = All rights are reserved by the Credit Union to close the "Credit Union Checking" Account of any account owner(s) who abuses the privilege of using this service or who is not in "good standing". The account may be closed by the Credit Union if any of the following occur:

- 1. If the Credit Union is required to return more than three checks and/or other items on any account within any one (1) month period because of non-sufficient funds in the member's checking account.
- 2. If there's suspicion of kiting between the member's "Credit Union Checking" account and other similar accounts within or outside the Credit Union.
- 3. If the member becomes 30 days or more delinquent on any Credit Union loan.
- 4. If fraud or forgery is discovered involving any Credit Union account.
- 5. If the account holder(s) is in violation of any Credit Union policy or procedure.
- 6. If the member causes a loss to the Credit Union.

7. If the member files bankruptcy or becomes insolvent.
8. Any other abuses that violate the "account owner - Credit Union" relationship causing the account owner(s) to fall from the status of "good standing".

Members will be notified in writing if their "Credit Union Checking" account is being closed by the Credit Union and the reason for such closure. Notification will be sent by First Class Mail to your last known address. Once notification has been given, the Credit Union accepts no further responsibility for the non-payment of checks and/or other items. On the effective date of an account being closed, the Credit Union will disable cash, debit card, and ATM withdrawals. A hold will be placed on the account and stay in effect for a maximum of seven (7) days in order to give checks already written an opportunity to clear. At the end of the seven (7) day period of time, all checks and/or other items on the account will be returned unpaid.

You are obligated under these circumstances to return all unused checks to WFCU for destruction. If unused checks are not returned, WFCU will return any presented check stamped "Account Closed".

If you have established pre-authorized payments, immediately notify those companies that your checking account is closed.

IT SHOULD BE NOTED THAT ABUSE OF A "CREDIT UNION CHECKING" ACCOUNT MAY BE CAUSE FOR DENIAL OF CREDIT AT THE CREDIT UNION

CHECKS TRUNCATED

Once paid, checks become the property of the Credit Union and the original canceled checks will not be returned to you with the monthly statement. Therefore, it is very important to either use and keep duplicate check copies or keep an accurate check register for reference in balancing your account. Checks are microfilmed and stored for seven years by our check processors. Therefore, if needed, microfilmed copies may be ordered through the Credit Union. An established fee will automatically be deducted from your "Credit Union Checking" account for each copy (see ADDENDUM 2-Fee Schedule). For auditing purposes, a copy (either your duplicate copy or a microfilm copy) attached to a checking statement showing that the check number cleared is sufficient proof of payment.

CHECK PROCESSING PROCEDURES

Processing of checks and/or other items will occur daily excluding legal holidays and weekends (see ADDENDUM 3-Holiday Closing Schedule). NSF items, uncollected items, and processing of closed accounts will occur daily by 3:00 p.m.

PRE-AUTHORIZED PAYMENTS

Pre-authorized drafts are permitted from the checking account. Pre-authorized drafts are like paper drafts that clear the checking account in the same manner as regular paper checks. Pre-authorized drafts generally are initiated by the company you want to pay (i.e. insurance companies, mortgage companies, utility companies, etc.) To discontinue or stop a pre-authorized draft, you need to contact the drafting company and follow their procedures to make the change. For more information, please contact your Credit Union branch.

AUTOMATIC CLEARING HOUSE (ACH) AND ACH CLEARINGS

Our Credit Union is a member of EastPay. Through EastPay, we are able to process both debits and credits via the Federal Reserve Automated Clearing House. This system is a national system that processes electronic "paper-less" drafts and deposits through the Federal Reserve.

It is important to note that ACH items differ from pre-authorized drafts in that they are not sent to our pay-through bank. The Credit Union staff must be consulted so that the proper routing and transit numbers can be assigned to ACH items.

STOP PAYMENT ORDERS

1. A member may order a stop payment on a single check or on a range of items in the event that an entire sequence of checks is lost, stolen or misplaced. (See ADDENDUM -2- FEE SCHEDULE.) Stop payments will be placed on the account within 12 hours after the member presents a stop payment order, in writing, to the Credit Union.
2. A stop payment order is conditional and subject to the Credit Union's verification that the item(s) has not already been paid.
3. The Credit Union will require the account owner to put the stop payment request in writing and to get it to the Credit Union by 3:00 p.m. the day of the initial request.
4. The account owner shall be responsible to the payee for non-payment of the check.

FUNDS AVAILABILITY DISCLOSURES AND HOLDS ON CHECKS AND DEPOSITS

For complete Funds Availability disclosures including applicable check and deposit holds, please refer to your Funds Availability Policy Disclosure.

FEE SCHEDULE

Charges and fees provided under this policy shall be specified in the Fee Schedule attached as ADDENDUM - 2 - FEE SCHEDULE. Fees are subject to change at the discretion of the Board of Directors. Members will receive written notification of any change in fees no less than 15 days prior to the effective date.

Appropriate fees will be automatically deducted from your "Credit Union Checking" account. These deductions will appear on your monthly statement. Be sure to enter and deduct the fees in your check register.

CHECKING ACCOUNTS INSURED TO AT LEAST \$250,000.00

Your savings are federally insured to at least \$250,000.00. The National Credit Union Administration (NCUA) is the federal agency that charters and supervises federal credit unions and insures savings in federal and most state-chartered credit unions across the country through the National Credit Union Share Insurance Fund (NCUSIF), a federal fund backed by the full faith and credit of the United States government.

HOLIDAY CLOSING POLICY

The holiday closing schedule and policy provided under this "Credit Union Checking" policy will be specified in the Holiday Closing Schedule attached as ADDENDUM - 3 - HOLIDAY CLOSING SCHEDULE. Holiday closings are subject to change depending on both the Credit Union's and the Federal Reserve's holiday schedules. Members will receive notification of any change in holiday closings no less than 15 days prior to the effective date.

MONTHLY STATEMENTS

1. You will receive your checking account statement on a monthly basis.
2. All checks and other items cleared, the dollar amount, date cleared, fees and charges will show on your checking account statement each month. Please enter and deduct the fees and charges in your check register to avoid balancing problems.
3. Your statements will be delivered to you by one of the following methods:
 - A. First Class Mail – mailed to the address listed on your account.
 - B. You can elect to receive e-Statements through Virtual Branch – e-mail address you designate when you enroll.

ADDENDUM - 1 - ORDERING CHECKS

Checks will be provided by Liberty/Harland Check Printers. To ensure that the MICR numbers and routing and transit numbers are accurately printed on the checks (assuring the quality of the checks and enabling our check processor to clear checks with no problems), only checks approved by the Credit Union may be used for transactions and withdrawals from a "Credit Union Checking" account.

For each new account, your first order of 50 duplicate checks will be complimentary. These checks will be ordered when the account is opened and will be mailed directly to you. The checks will reach you within seven (7) to ten (10) days. Upon receipt of any checks you've ordered, personal information on the checks should be reviewed for accuracy. Additional check orders should be placed as soon as possible to allow the seven (7) to ten (10) days required for printing and delivery.

After the complimentary first 50 checks, you will be responsible for the cost of checks and reorders. The charges will automatically be deducted from the balance of your "Credit Union Checking" account and will appear on your monthly statement. Be sure to enter and deduct the fees in your check register.

ADDENDUM - 2 - FEE SCHEDULE

Fees and charges referenced under the "Credit Union Checking" policy are specified in this Fee Schedule. Fees are subject to change at the discretion of the Welcome Federal Credit Union Board of Directors. You will receive written notification of any change in fees no less than 15 days prior to the effective date. Appropriate fees and charges will automatically be deducted from your "Credit Union Checking" account. Fees deducted from your account may cause your account to go temporarily negative until your next deposit. These deductions will appear on your monthly statement. Be sure to enter and deduct all fees and charges in your check register.

The following is a schedule of fees for various services. This fee schedule is effective as of July 21, 2010.

Types of Fees	Fee
Non-Sufficient Funds-NSF Fees (Includes checking, savings, ACH, ATM, POS, Bill Pay, checks, & pre-authorized payments)	\$25.00 each
Courtesy Pay Fees for Paid NSFs (Includes checking, savings, ACH, ATM, POS, Bill Pay, checks, & pre-authorized payments).	\$25.00 each (maximum daily aggregate of courtesy pay fees = \$100.00)
Reg D Fee -- Excessive Withdrawals Includes savings & Money Market Savings accounts)	\$3.00 per transaction after 1st six withdrawals each month
Money Market Accounts -- Excessive In-branch Withdrawals	\$3.00 per withdrawal over three each month
Money Market Accounts Under \$1,000.00	\$3.00 per month
Teller Check To Third Party Payee	\$2.00 per check
Teller Check - Non-Member	\$5.00 per check
Teller Check-over \$10,000 - Non-Member	\$10.00 per check
Returned Deposit - Member Check	\$25.00 per return
Returned Deposit - Non-Member Check	\$5.00 per return
Foreign Check Deposit	\$15.00 each
Wire Transfer-Domestic (Outgoing)	\$15.00 each
Wire Transfer-Foreign (Outgoing)	\$35.00 each
Abandoned Check/ Stale Check Fee	\$5.00 per check
Dormant Account Fee	\$12.00 per year
Accounts Under \$25.00	\$3.00 per month
Account Closure Fee (Within 90 Days Of Open Date)	\$10.00
Phone Request To Transfer Funds	\$3.00 each
Check Orders	First order of 50 duplicate checks is complimentary. Fees for subsequent orders vary dependent on your choice of style.
Transfer From Savings to Cover Overdraft	\$1.00 each
Stop Payment	\$20.00 each
Stop Payment on series of checks	\$20.00 each series
Check Copy-Certified	\$5.00 each
Check Copy-Member draft	\$5.00 each
Copy of Account History or Statement Copy	\$5.00 each
Account Research	\$15.00 per hour -- 1 hour minimum
Verification of Deposit	\$10.00 each
Undeliverable Address/ Returned Mail	\$3.00 per return
Notary Fee -- Non-Member	\$5.00 per notarization
ATM/DEBIT Card Replacement Fee	\$7.50 each
ATM Service Fee	Per transaction, varies depending on fee charged by the owner of the ATM you use.
Unblock ATM/Debit Cards	\$10.00
VISA Gift Card	\$3.50 per card member; \$5.00 per card-Non-Member
VISA Gift Card Replacement Fee	\$13.50 per card-Member; \$15.00 per card-Non-Member
Bill Pay Fee for Non-Use	\$5.00 per month
Bill Pay Processor Fees (Includes NSF, stop payment, & research fees)	*Pass through to member
Dept. of Motor Vehicle Lien Fees	*Pass through to member
UCC Form Fees	*Pass through to member
Preferred Ship/Boat Mortgage Fees	*Pass through to member
Research MVR-4/Duplicate title	\$15.00 per hour -- 1 hour minimum
Levy/Garnishment/Legal Process Fees	\$25.00 per transaction
CARFAX Report Fee	\$17.49

*The fee charged will be the amount of the fee that is incurred by the Credit Union for this transaction.

ADDENDUM – 3 – HOLIDAY CLOSING SCHEDULE

The holiday closings for Welcome Federal Credit Union (WFCU) are specified in this Holiday Closing Schedule. Holiday closings are subject to change depending on the holiday schedules of both Welcome Federal Credit Union and the Federal Reserve. You will receive notification of any change in the Holiday Closing Schedule no less than 15 days prior to the effective date.

While the Credit Union does not observe all standard Federal Reserve holidays, please note that processing of transactions may be delayed because of their holidays. Under normal circumstances, when a scheduled Federal Reserve holiday falls on Sunday, the Federal Reserve Bank will be closed the following Monday. Welcome Federal Credit Union will follow the holiday schedule listed below.

All Saturdays

All Sundays

New Year's Day (January 1)

* **Martin Luther King's Birthday (third Monday in January)**

* **President's Day (third Monday in February)**

Memorial Day (last Monday in May)

Independence Day (July 4)

Labor Day (first Monday in September)

* **Columbus Day (second Monday in October)**

* **Veteran's Day (second Monday in November)**

Thanksgiving Day (fourth Thursday in November) Thursday and Friday

Christmas Day (December 25)

The end of year closings will be disclosed on our web site (www.welcomecu.org) and in our October *UpDate* newsletter each year. The October newsletter is either inserted in, or attached to (e-Statements), your September 30 month-end statements. To view the closings on our web site, click the Quick Links tab on the Home Page, then click Holiday Closings.

*WFCU does **not** observe the Federal Reserve holidays that are noted with an asterisk.

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ADDENDUM – 4 – DIVIDENDS

Dividends will not be paid on "Credit Union Checking" accounts. This will enable the Credit Union to offer our members this service with minimal fees.