



# About Your Credit Union Accounts

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Unclaimed Property Law

Account Agreements



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# YOUR TRUTH-IN-SAVINGS DISCLOSURE

*Please read this brochure completely and retain it with your personal records.*

*All agreements and disclosures shall be construed in accordance with the provisions of the California Uniform Commercial Code (UCC). Share accounts, share draft "checking" accounts and share certificate accounts are subject to the requirements below and such other terms and conditions as established by the Board of Directors and as contained in the account agreements.*

**Please note that this Agreement contains a BINDING INDIVIDUAL ARBITRATION PROVISION AND JURY AND CLASS ACTION WAIVER which affects your rights with respect to any claims or disputes by or against the Credit Union. You may opt out of that provision as described on page 3.**



## INFORMATION REGARDING MEMBER IDENTIFICATION

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

**What this means for our Members:** When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

## GENERAL INFORMATION ABOUT ALL OF OUR ACCOUNTS

### PAR VALUE

The par value of a share in the Kern Federal Credit Union for members 16 years of age and older is \$25. The par value of a share for members under 16 years of age is \$5. Members under 16 years of age must increase their par value to \$25 upon obtaining age 16 to retain membership.

### ACCRUAL OF DIVIDENDS

Dividends begin to accrue on the business day you deposit cash or non-cash items (e.g., checks) to your account if deposited before the close of business. If you close your share or checking account before dividends are credited, you will not receive accrued dividends.

### DIVIDEND RATES

The initial dividend rate and Annual Percentage Yield on our share and checking accounts are stated on the Rate Schedule accompanying this Disclosure. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

### BALANCE INFORMATION

We compute the balance in our share and checking accounts to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

### BYLAW REQUIREMENTS

The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board.

A member who fails to complete payment of one share within 2 months of his admission to membership, or within 2 months from the increase in the par value in shares, or a member who reduces his share balance below the par value of one share and does not increase the balance to at least the par value of one share within 2 months of the reduction may be terminated from membership.

Shares may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. The Credit Union reserves the right, at any time, to require members to give, in writing, not less than 7 days' and not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them.

No member may withdraw shareholdings that are pledged as required for security on loans without the written approval of the credit committee or a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or loan officer.

#### **REQUIREMENT TO MAINTAIN A REGULAR SHARE ACCOUNT**

You must have ownership in a Regular Savings Account or Association Savings Account to open any subsequent accounts. You must maintain the Regular Share Account to avoid closure of that account and any subsequent accounts.

#### **CHANGES IN 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. The Credit Union has the right to change the terms and conditions of this Agreement at any time, in any manner, and for any reason. We may delete or modify existing terms. We may add new terms without regard to whether the matter is already addressed by this Agreement. We may offer new or different services at any time, and may convert an existing account or service into a new account or service. We will generally notify you in advance of changes by sending written notice to your address as it appears on our records. However, we may make changes without sending you advance notice, unless such notice is required by law. By continuing to use or keep your account open, you will be deemed to accept and agree to any such changes in terms.

#### **CONSENT TO CONTACT (NON-TELEMARKETING ONLY)**

You give your express consent for the Credit Union and others acting on our behalf to contact you at any telephone number you give to us or we obtain from any other source (including any wireless phone or VoIP number), using any calling or texting technology (including any automatic telephone dialing system, artificial voice or prerecorded voice), regarding this account or any other relationship you now or later have with the Credit Union. You agree that you have not provided, and will not provide to us, any telephone number unless you are the subscriber to the service or the customary user of the telephone to which that number relates unless you tell us in writing. If you revoke this authorization, you agree to do so in a way that is likely to provide us with notice in time to process that revocation before we make any further calls or send any further texts, such as by using one of the methods designated by the Credit Union for such purpose.

## **ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL**

Please read this provision carefully. It affects your rights and may have a substantial impact on how legal claims you and we have against each other are resolved if you do not opt-out as permitted below.

#### **ARBITRATION**

To the extent permitted by the Federal Arbitration Act (the "FAA") and any other applicable federal law, binding arbitration may be elected by either party with respect to any past, present or future claim or controversy arising out of or relating to this Agreement and/or a Credit Union account, even if that party has already initiated a lawsuit with respect to a different claim. Arbitration is elected by giving a written demand for arbitration to the other party, by filing a motion to compel arbitration in court, or by initiating arbitration against the other party. You and we agree, upon such written demand, motion or initiation, to submit to, and that such claim shall be settled by, binding arbitration.

The arbitration will be subject to the Rules of the American Arbitration Association "AAA" in effect at the time the arbitration is initiated, or such similar rules as may be adopted by AAA. Neither party will demand the arbitration of an action filed in small claims court, or its state's equivalent court, for any claim or dispute within the scope of the small claims court's jurisdiction. But if a claim is transferred, removed or appealed to a different court, such claim shall be subject to arbitration.

This arbitration provision shall be interpreted and enforced in accordance with the FAA by a single arbitrator appointed by the AAA. The arbitrator shall be an attorney, retired judge or AAA panel member with experience and knowledge regarding financial institutions and transactions.

#### **Each party shall pay its own fees and costs of the arbitration pursuant to this Agreement unless otherwise required by law.**

In each case, each party will pay for its own attorney fees and costs, if any, for prosecuting and defending claims, except that the arbitrator may award the prevailing party all its attorney fees and costs, including expert witness fees.

Arbitration hearings will be held in a location reasonably convenient to your residence, or at another location if mutually agreed. Any issue concerning whether or the extent to which a dispute or claim is subject to arbitration, including issues relating to the validity or enforceability of these arbitration provisions, shall be determined by the arbitrator. Only a court, and not an arbitrator, however, shall determine the validity and effect of the class action and jury trial waivers below. All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law must be followed by the arbitrator, and the commencement of an arbitration under this Agreement shall be deemed the commencement of an action for such purposes. The arbitrator's decision shall be final and binding and may be entered in any state or federal court having jurisdiction. The arbitrator may award any remedy provided by the substantive law that would apply if the action were pending in court. For more details, check the American Arbitration Association's website, [www.adr.org](http://www.adr.org), OR call the American Arbitration Association's Customer Service telephone number at (800) 778-7879.

## **WAIVER OF CLASS ACTION AND JURY TRIAL**

**WE EACH AGREE THAT ANY AND ALL DISPUTES, WHETHER SUBMITTED TO ARBITRATION OR DECIDED BY A COURT, MUST BE BROUGHT IN THE PARTY'S INDIVIDUAL CAPACITY AND NOT AS A CLASS ACTION PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. YOU AGREE TO WAIVE THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR LITIGATE ON A CLASS-WIDE BASIS. YOU AGREE THAT YOU HAVE EXPRESSLY AND KNOWINGLY WAIVED THESE RIGHTS. YOU AND THE CREDIT UNION HEREBY VOLUNTARILY AND KNOWINGLY WAIVE THE RIGHT TO TRIAL BY JURY OF ALL DISPUTES, CONTROVERSIES AND CLAIMS BY, BETWEEN OR AGAINST EITHER YOU OR THE CREDIT UNION WHETHER THE DISPUTE, CONTROVERSY OR CLAIM IS SUBMITTED TO ARBITRATION OR IS DECIDED BY A COURT, TO THE FULLEST EXTENT ALLOWED BY LAW.**

## **YOUR RIGHT TO OPT-OUT: ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL**

**IF YOU DO NOT WANT THIS ARBITRATION AND WAIVER OF CLASS ACTION AND JURY TRIAL PROVISION TO APPLY, YOU MAY OPT-OUT BY SENDING A WRITTEN REQUEST TO THE CREDIT UNION POSTMARKED WITHIN SIXTY (60) DAYS OF YOUR RECEIPT OF THIS AGREEMENT. THE OPT-OUT MUST INCLUDE YOUR FULL NAME, ADDRESS, TELEPHONE NUMBER, ACCOUNT NUMBER AND PERSONAL SIGNATURE, AND MUST BE MAILED TO THE CREDIT UNION AT: P.O. BOX 1667, BAKERSFIELD, CA 93302 OPTING OUT WILL NOT TERMINATE THIS AGREEMENT OR AFFECT ANY OTHER RIGHTS AND OBLIGATIONS YOU OR THE CREDIT UNION HAVE UNDER THIS AGREEMENT.**

This arbitration provision does not preclude you from bringing issues regarding your accounts to the attention of any federal, state or local agency or entity. Such agency or entity may be able to seek relief on your behalf.

Nothing in this arbitration provision shall limit your or our right, whether before, during, or after the pendency of any arbitration proceeding, to exercise any self-help remedies, such as set-off or repossession and sale of collateral, or to obtain provisional remedies (including but not limited to, injunctive relief or interpleader relief). The exercise of such rights will not constitute a waiver of the right to submit any dispute to arbitration.

This Arbitration and Waiver of Class Action and Jury Trial provision shall survive your death, the closing of any of your accounts, the termination of any of your business or transaction(s) with us, and any bankruptcy filing to the extent consistent with applicable bankruptcy law, and shall also survive as to any claim within the scope of this Agreement.

If any term or provision of this Arbitration and Waiver of Class Action and Jury Trial provision is held to be invalid or unenforceable, the remaining provisions shall be enforced without regard to the invalid or unenforceable term or provision.

## **ABOUT OUR SHARE ACCOUNTS**

Kern Federal Credit Union's share accounts let you deposit your money in a savings account and withdraw your money generally at any time. Our share accounts are Member Savings, Subsidiary Savings, Association Savings, Student Savings, Kasasa Saver, CID Savings, Money Market and IRA Savings.

### **RATE INFORMATION**

Our share accounts are designated variable rate accounts on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. For our share accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates.

### **TRANSACTION LIMITATIONS**

No more than six preauthorized, automatic, online or telephonic transfers made to another account at the Credit Union or to a third party or no more than six transfers or withdrawals made by check, draft, debit card or similar order payable to a third party may be made from each savings account or money market deposit account in any calendar month. 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.

### **➔ *About Our Member Savings, Subsidiary Savings and Association Savings Accounts***

Our Member Savings, Subsidiary Savings and Association Savings Accounts are tiered rate share accounts.

### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a Member Savings, or Association Savings Account is \$25. There is no minimum deposit required to open a Subsidiary Savings Account. The minimum deposit required to open a Member Savings Account for our members under 16 years of age is \$5. The dividend rate and the Annual Percentage Yield are based on the entire average daily balance of the

tiered accounts. If your daily balance is increased or decreased, the dividend rate and the Annual Percentage Yield for the appropriate tier will be paid on the entire daily balance in your account. You must maintain a minimum average daily balance of \$100 in your Member Savings, Subsidiary Savings or Association Savings Account to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain a minimum balance of \$25 in the Member Savings or Association Savings Account to avoid a service fee.

#### ➡ ***About Our Student Savings Account***

The Student Savings Account is offered to eligible members ages 4-17 years old. A parent or legal guardian must be a joint signer on the account. Upon reaching 18 years of age, the account may be converted to another savings account type.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

For members under the age of 16 years old, the minimum deposit required for you to open a Student Savings Account is \$5. For members 16 years of age or older, the minimum deposit required for you to open a Student Savings Account is \$25.

#### ➡ ***About Our Kasasa Saver Account***

The Kasasa Saver Account is offered to members maintaining a Kasasa Cash Checking or Kasasa Cash Back Checking Account. The Kasasa Saver Account is a tiered rate share account.

#### **ACCOUNT ELIGIBILITY**

To obtain the higher dividend rate applicable to that tier as stated on the accompanying Rate Schedule, you must meet the following criteria during the monthly qualification cycle\*:

- Must qualify for and maintain each month a Kasasa Cash Checking or Kasasa Cash Back Checking Account.

If you do not meet the above monthly qualification of the account, your account will earn the lower dividend rate as stated on the Rate Schedule. Dividends will be calculated and credited to your account on the last day of each calendar month.

\* *The monthly qualification cycle begins one business day before the statement cycle begins and ends one business day before the statement cycle ends. The statement cycle is the first day of each calendar month and ends the last day of the month.*

#### **BALANCE INFORMATION**

We compute the balance in our Kasasa Saver Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

#### **RATE INFORMATION**

Our Kasasa Saver Account is designated as a variable rate account on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. For our Kasasa Saver Account, the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a Kasasa Saver Account is \$5.

#### ➡ ***About Our CID Savings Account***

The CID Savings Account is offered to eligible members with or without a Social Security Number (SSN) with other appropriate identification. The CID Savings Account is a non-dividend earning share account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a CID Savings Account is \$25. You must maintain a minimum balance of \$25 in your account to avoid the service fee as stated on the Fee Schedule and closure.

#### ➡ ***About Our Money Market Account***

Our Money Market Account is a tiered rate share account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a Money Market Account is \$2,500. The minimum daily balance is indicated for each tier on the accompanying Rate Schedule. The dividend rate and the Annual Percentage Yield are based on the entire average daily balance of the tiered accounts. If your daily balance is increased or decreased, the dividend rate and the Annual Percentage Yield for the appropriate tier will be paid on the entire daily balance in your account. You must maintain a minimum balance of \$2,500 to avoid a service fee as stated on the Fee Schedule. You must maintain a minimum balance of \$100 to avoid account closure.

## TRANSACTION LIMITATIONS

The minimum dollar amount you may withdraw from your Money Market Account is \$250 per withdrawal. If you withdraw less than \$250 at any time, you will be assessed the withdrawal fee listed on the Fee Schedule.

### ➔ *About Our IRA Savings Account*

#### MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open an IRA Savings Account is \$100 and you must maintain a minimum average daily balance of \$100 in the account to obtain the Annual Percentage Yield stated on the Rate Schedule.

#### INCORPORATION OF IRA AGREEMENT AND DISCLOSURES

All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

## ABOUT OUR SHARE DRAFT ACCOUNTS (CHECKING ACCOUNTS)

Kern Federal Credit Union offers checking accounts which let you withdraw your money and write checks against your account at any time. Our checking accounts are Classic Checking, Plus Checking, Fresh Start Checking, Jump Start (Student) Checking, Kasasa Cash Checking, Kasasa Cash Back Checking, Kasasa Tunes Checking and CID Checking Accounts.

### ➔ *About Our Classic Checking Account*

#### DIVIDEND INFORMATION

Our Classic Checking Account is a non-dividend earning account.

#### MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Classic Checking Account is \$25. There is no minimum balance required to maintain this account.

### ➔ *About Our Plus Checking Account*

#### BALANCE INFORMATION

We compute the balance in our Plus Checking Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

#### RATE INFORMATION

Our Plus Checking Account is designated a variable rate account on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

#### DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For our Plus Checking Account, the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates.

#### MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Plus Checking Account is \$25. You must maintain a minimum daily balance of \$0.01 in your Plus Checking to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain a balance of \$2,000 in this checking account to avoid a Service Fee as stated on the Fee Schedule. The Service Fee may be waived if you have an aggregate of \$10,000 in the Plus Checking Account and any combination of savings accounts, IRA, Money Market and share certificate accounts.

### ➔ *About Our Fresh Start Checking Account*

Our Fresh Start Checking Account is designed for eligible members who have had non-sufficient fund (NSF) activity with no losses to financial institutions.

Eligibility requirements include the successful completion of the *InBalance Checking Account Management Program*. If the Fresh Start Checking Account is in good standing for one year, the account may be converted to a Free Checking Account at the member's request.

The Fresh Start Checking Account is a non-dividend earning account.

#### MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Fresh Start Checking Account is \$25. There is a monthly service fee as stated on the accompanying Fee Schedule.

## ACCOUNT LIMITATIONS

Overdraft Privilege Pay service is not available with this account.

## TRANSACTION LIMITATIONS

The Fresh Start Checking Account may be closed if the account is overdrawn 10 consecutive days or has 4 NSF items in any calendar month.

### ➤ **About Our Jump Start (Student) Checking Account**

The Jump Start (Student) Checking Account is offered to eligible members ages 14 through 17 years old. Upon reaching 18 years of age, the account may be converted to another checking account type if authorized in writing by all account owners.

## MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Jump Start (Student) Checking Account is \$5.

## ACCOUNT LIMITATIONS

A parent, legal guardian or adult who is at least 18 years of age must be a joint signer on the account. *Refer to "Special Rules for Joint Accounts" within the "General Terms and Conditions of Your Credit Union Accounts" section of this disclosure for information regarding the liability of joint owners.*

Overdraft Privilege Pay services are not available with this account.

### ➤ **About Our Kasasa Cash Checking Account**

The Kasasa Cash Checking Account allows members to obtain the higher dividend rate applicable to that tier as stated on the accompanying Rate Schedule and to receive refunds on domestic ATM fees.

The Kasasa Cash Checking Account is a tiered rate account.

## ACCOUNT ELIGIBILITY

To obtain the higher dividend rate and receive ATM fee refunds, you must meet **all** of the following criteria during the monthly qualification cycle\*:

- Must elect to receive statements electronically (e-statements);
- Must have at least twelve (12) debit card purchase transactions posted and cleared during the monthly qualification cycle; and
- Must access the Internet Banking service at least once a month.

If you do not meet the above monthly qualifications of the account, your account will earn the lower dividend rate as stated on the Rate Schedule and ATM fees will not be refunded. ATM fees must post and clear the account during the monthly qualification cycle\*. Dividends and ATM fee refunds will be calculated and credited as follows:

- For Kasasa Cash Account holders maintaining a Kasasa Saver Account, ATM fee refunds will first be credited to your Kasasa Cash Checking Account on the last day of each calendar month and then will automatically be transferred to your Kasasa Saver Account on the last day of each calendar month. Dividends will first be calculated and credited to your Kasasa Cash Checking Account on the last day of each calendar month and then will automatically be transferred to your Kasasa Saver Account on the first day of the following calendar month.
- For Kasasa Cash Account holders not maintaining a Kasasa Saver Account, dividends and ATM fee refunds will be calculated and credited to your Kasasa Cash Checking Account on the last day of each calendar month.

\* *The monthly qualification cycle begins one business day before the statement cycle begins and ends one business day before the statement cycle ends. The statement cycle is the first day of each calendar month and ends the last day of the month.*

## BALANCE INFORMATION

We compute the balance in our Kasasa Cash Checking Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

## RATE INFORMATION

Our Kasasa Cash Checking Account is designated as a variable rate account on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

## DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For our Kasasa Cash Checking Account, the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates.

## MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Kasasa Cash Checking Account is \$25.

### ➔ **About Our Kasasa Cash Back Checking Account**

The Kasasa Cash Back Checking Account allows members to receive two percent (2.00%) cash back on Debit Card purchases totaling up to \$350, up to a maximum cash back amount of \$7.00, and refunds on domestic ATM fees.

The Kasasa Cash Back Checking Account is a non-dividend earning account.

#### **ACCOUNT ELIGIBILITY**

To receive cash back on Debit Card purchases and ATM fee refunds, you must meet all of the following criteria during the monthly qualification cycle\*:

- Must elect to receive statements electronically (e-statements);
- Must have at least twelve (12) debit card purchase transactions posted and cleared during the monthly qualification cycle; and
- Must access the Internet Banking service at least once a month.

If you do not meet the above monthly qualifications of the account, you will not receive cash back on Debit Card purchases and ATM fees will not be refunded. Debit Card purchases and ATM fees must post and clear the account during the monthly qualification cycle\*. Cash back on Debit Card purchases and ATM fee refunds will be calculated and credited to your account as follows:

- For Kasasa Cash Back Account holders maintaining a Kasasa Saver Account, cash back on Debit Card purchases and ATM fee refunds will first be credited to your Kasasa Cash Back Checking Account on the last day of each calendar month and then will automatically be transferred to your Kasasa Saver Account on the last day of each calendar month.
- For Kasasa Cash Back Account holders not maintaining a Kasasa Saver Account, cash back on Debit Card purchases and ATM fee refunds will be credited to your Kasasa Cash Back Checking Account on the last day of each calendar month.

\* *The monthly qualification cycle begins one business day before the statement cycle begins and ends one business day before the statement cycle ends. The statement cycle is the first day of each calendar month and ends the last day of each calendar month.*

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a Kasasa Cash Back Checking Account is \$25.

### ➔ **About Our Kasasa Tunes Checking Account**

The Kasasa Tunes Checking Account allows members to receive refunds up to \$25 for iTunes® and/or Amazon® digital download purchases during the first sixty (60) days of account opening. The Kasasa Tunes Checking Account also allows members to receive refunds up to \$5 for iTunes® and/or Amazon® digital download purchases and refunds on domestic ATM fees.

The Kasasa Tunes Checking Account is a non-dividend earning account.

#### **ACCOUNT ELIGIBILITY**

To receive refunds of digital download purchases and ATM fees, you must meet **all** of the following criteria during the monthly qualification cycle\*:

- Must elect to receive statements electronically (e-statements);
- Must have at least twelve (12) debit card purchase transactions posted and cleared during the monthly qualification cycle; and
- Must access the Internet Banking service at least once a month.

If you do not meet the above monthly qualifications of the account, digital download purchases and ATM fees will not be refunded. Digital download purchases and ATM fees must post and clear the account during the monthly qualification cycle\*. Refunds of digital download purchases and ATM fees will be credited to your account on the last day each calendar month.

\* *The monthly qualification cycle begins one business day before the statement cycle begins and ends one business day before the statement cycle ends. The statement cycle is the first day of each calendar month and ends the last day of the month.*

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a Kasasa Tunes Checking Account is \$25.

### ➔ **About Our CID Checking Account**

The CID Checking Account is offered to eligible members with or without a Social Security Number (SSN) with other appropriate identification. Mastercard Debit Card and online banking access is available on this account. The CID Checking Account is a non-dividend earning account.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a CID Checking Account is \$25. There is no minimum balance required to maintain this account.

#### **TRANSACTION LIMITATIONS**

There is no Overdraft Privilege Service available for this account.

## ABOUT OUR SHARE CERTIFICATE ACCOUNTS

Kern Federal Credit Union's share certificate accounts let you deposit your money for a specified period of time. Our share certificate accounts are Term Certificates, IRA Term Certificates, and 1 Year Bump Up and Add On Certificates.

### ➔ *About Our Term and IRA Term Certificates*

#### **ANNUAL PERCENTAGE YIELD**

The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your account, your earnings will be reduced.

#### **MATURITY**

Your account will mature based on the terms reflected on the Rate Schedule. The maturity date will be provided to you at the time of opening your account.

#### **BALANCE INFORMATION**

We compute the balance in our Term and IRA Term Certificates to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

#### **RATE INFORMATION**

Our Term and IRA Term Certificate accounts are designated fixed rate accounts on the Rate Schedule. You will be paid this rate and yield until maturity.

#### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. The dividend period is monthly.

#### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a Term Certificate or IRA Certificate is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

#### **ACCOUNT LIMITATIONS**

You may not make deposits into your share certificate account before the maturity date. You may withdraw credited dividends from your account at any time.

#### **EARLY WITHDRAWAL PENALTY**

We may impose a penalty and close the account if you withdraw principal from your account before the maturity date. The penalty imposed shall be one half of all dividends that would be earned during the term of the account or all dividends since the date of issuance or renewal, whichever is less.

#### **EXCEPTIONS TO PENALTIES**

The penalties stated above will not apply if:

1. The withdrawal is made subsequent to death of any owner of the share certificate account, or is made pursuant to the Credit Union's bylaws,
2. The share certificate account is part of a pension plan which qualifies or is qualified to specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability or upon attaining not less than 70 1/2 years of age; or
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the account.

#### **RENEWAL OF ACCOUNT**

Your account will automatically renew at maturity for the same time period as the original term at the prevailing rate unless at maturity you have provided the Credit Union further instructions of your account or within a grace period of 10 days after maturity.

#### **INCORPORATION OF IRA AGREEMENT AND DISCLOSURES**

All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

### ➔ *About Our 1 Year Bump Up and Add On Term Certificate*

The 1 Year Bump Up and Add On Term Certificate allows for a one-time rate increase during the term to the current offered rate for a 1-Year certificate rate in effect at the time of the increase. Members may make additional deposits into the account any time during the term of the certificate.

### **ANNUAL PERCENTAGE YIELD**

The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. If you make a withdrawal from your account, your earnings will be reduced.

### **MATURITY**

Your account will mature as reflected on the Rate Schedule. The maturity date will be provided to you at the time of opening your account.

### **BALANCE INFORMATION**

We compute the balance in our 1 Year Bump Up and Add On Term Certificate to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

### **RATE INFORMATION**

Our 1 Year Bump Up and Add On Term Certificate account is designated as a fixed rate account on the Rate Schedule. You will be paid the rate and yield designated at account opening or the current offered rate at the time you exercise the Bump Up rate option until maturity.

### **DIVIDEND COMPOUNDING AND CREDITING**

Dividends will be compounded monthly and will be credited monthly. The dividend period is monthly.

### **MINIMUM BALANCE AND DEPOSIT REQUIREMENTS**

The minimum deposit required for you to open a 1 Year Bump Up and Add On Term Certificate is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

### **ACCOUNT LIMITATIONS**

You may not make withdrawals of principal from your certificate account before the maturity date. You may withdraw credited dividends from your account at any time. See Early Withdrawal Penalty section.

### **EARLY WITHDRAWAL PENALTY**

We may impose a penalty and close the account if you withdraw principal from your account before the maturity date. The penalty imposed shall be one half of all dividends that would be earned during the term of the account or all dividends since the date of issuance or renewal, whichever is less. Unless otherwise instructed the remaining funds will be transferred to a Member Share Account at the prevailing rate stated on the Rate Schedule effective on the date of transfer.

### **EXCEPTIONS TO PENALTIES**

The penalties stated above will not apply if:

1. The withdrawal is made subsequent to death of any owner of the share certificate account, or is made pursuant to the Credit Union's bylaws,
2. The share certificate account is part of a pension plan which qualifies or is qualified to specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability or upon attaining not less than 70 1/2 years of age; or
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the account.

### **RENEWAL OF ACCOUNT**

Your account will automatically renew at maturity for the same time period as the original term at the prevailing rate unless at maturity you have provided the Credit Union further instructions of your account or within a grace period of 10 days after maturity.

## **ELECTRONIC FUND TRANSFER DISCLOSURE AND AGREEMENT**

This EFT Disclosure and Agreement as amended from time to time "Agreement" sets forth the terms and conditions governing the use of the Kern Federal Credit Union electronic transfer services. Disclosure information that applies to all electronic services offered by Kern Federal Credit Union is given below, followed by specific disclosure information for each service. The Credit Union may also provide remittance transfers (defined by Regulation E, subpart B, as an "electronic transfer of funds of more than \$15 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider"). The terms and conditions for such electronic transfers will be disclosed to you separately when you receive those services, and may differ from the terms and conditions disclosed herein. As applicable, and to the extent not in conflict with such separately provided disclosures, the terms and conditions herein shall apply to remittance transfers that also meet the definition of an "electronic fund transfer" under Regulation E, subpart A. This Agreement takes the place of all prior agreements and disclosures governing the use of all electronic services. By retaining, using, or allowing others to use the electronic services offered by Kern Federal Credit Union, you are agreeing to be bound by the terms and conditions of this Agreement. In this Agreement, the term "you" and "your(s)" refer to the member, and the terms "we," "us" and "our(s)" refer to Kern Federal Credit Union.

## **PERSONAL IDENTIFICATION NUMBER**

You may select a Personal Identification Number (PIN) that must be used with the Debit Card for transactions that require the use of a PIN. This number should be memorized-DO NOT write it on your Debit Card or where it is easily accessible to others. If you forget, misplace or otherwise disclose your PIN, contact the Credit Union to select a new one.

## **RIGHT TO RECEIVE DOCUMENTATION OF TRANSACTIONS**

You will get a monthly account statement reflecting all of your transactions unless there is no activity in a particular month. In any case you will get the statement at least quarterly. Depending on the terminal, or if the transaction is \$15 or less, you may receive a receipt at the time you make a transaction at a terminal. If you do receive a receipt, retain the receipt to compare with your monthly statement from the Credit Union.

## **YOUR LIABILITY FOR LOST, STOLEN OR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARDS**

Tell us AT ONCE if you believe your Debit Card and/or Personal Identification Number (PIN) has been lost or stolen or if your statement shows 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 you have one with us). If you tell us within 60 days of our sending your statement, you can lose no more than \$50 if someone used your debit card without your permission. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the close of the 60 days and before notice to us. If your delay in notifying us was due to extenuating circumstances beyond your reasonable control, including extended travel, your or a member of your family's death or serious illness, hospitalization, permanent mental impairment or serious physical impairment, unless the circumstance did not reasonably contribute to your delay in notifying us within the 60-day period, we will extend the 60 day period by a reasonable period.

## **SPECIAL NOTICE TO MASTERCARD® DEBIT CARD CARDHOLDERS**

If there is an unauthorized use of your Mastercard Debit Card then your liability will be zero (\$0.00) so long as you have exercised reasonable care in safeguarding your card from risk of loss or theft and upon becoming aware, you have promptly reported the loss or theft to the Credit Union. If you cannot meet these requirements then your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law. In any case, to minimize your potential liability you should notify us promptly of any unauthorized use, but no later than sixty (60) days after your statement was mailed to you. This provision limiting your liability does not apply to Mastercard branded cards issued to entities that are not natural persons, or issued for a commercial purpose unless the card is issued for a "small business" program as described on Mastercard's website, or issued until the person's identification is registered by or on behalf of the card issuer in connection with such issuance and/or sale which registration may include customer identification program requirements. If applicable law imposes a greater liability or a conflicting obligation, such applicable law shall govern.

## **HOW TO NOTIFY THE CREDIT UNION IN THE EVENT OF AN UNAUTHORIZED TRANSACTION**

If you believe your Debit Card or PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, call us at (800) 336-KERN (5376) or (661) 327-9461, for Debit Cards please call us at (800) 449-7728. You may write to us at P. O. Box 1667, Bakersfield, California 93302.

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

## **BUSINESS DAYS**

For the Downtown Branch, our business days are Monday through Friday, excluding holidays. For the branch locations maintaining Saturday hours, our business days are Monday through Saturday, excluding holidays.

## **OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS**

If we do not complete a transaction to or from your share or checking account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance, if:

- a) through no fault of ours, you do not have enough money in your account (your available balance) to make the transaction;
- b) the transaction would go over the credit limit on your credit line;
- c) the terminal where you were making the transaction did not have enough cash;
- d) the ATM or network system was not working properly and you were aware of the malfunction when you started the transaction;
- e) circumstances beyond our control (such as fire, flood, power failure, or computer down-time) prevented the transaction, despite reasonable precautions that we have taken;
- f) the money in your account is subject to an uncollected funds hold, legal process or any other encumbrance or agreement restricting a transaction;
- g) your Debit Card has expired, is damaged so that the terminal cannot read the encoding strip, is inactive or because your PIN has been entered incorrectly;

- h) your Debit Card or PIN has been reported lost or stolen and we have blocked the account; or
  - i) the failure to complete the transaction is done to protect the integrity of the system or to protect the security of your account.
- There may be other exceptions not specifically mentioned above.

#### **IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS**

Telephone us at (800) 336-KERN (5376) or (661) 327-9461 or write us P. O. Box 1667, Bakersfield, California 93302 as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. You should also call the number or write to the address listed above if you believe a transfer has been made using information from your check without your permission. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

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

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

We will determine whether an error occurred within 10 business days 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 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 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

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 within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

#### **CHARGES**

In order to obtain the electronic services listed, you must open and maintain a share and/or checking account. All charges associated with our electronic fund transactions are disclosed in our Rate and Fee Schedules which accompanies this Disclosure and Agreement.

#### **DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES**

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

- a) when it is necessary to complete the transaction;
- b) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- c) in order to comply with government agency or court orders or other legal process; or
- d) if you give us your prior oral or written permission.

#### **ADDRESS CHANGE**

Keep the Credit Union informed of your current address to insure correct mailing of monthly statements. If you have elected to receive statements electronically, it is also your responsibility to keep the Credit Union informed of your current email address.

#### **AMENDMENTS**

The Credit Union may change the terms and conditions of this Agreement from time to time by mailing written notice to your address as it appears on our records. If any change results in greater cost or liability to you or decreases access to your Accounts, you will be given at least twenty-one (21) days prior notice of the change. Prior notice may not be given where an immediate change in terms or conditions is necessary to maintain the integrity of the system and/or the security of Debit Cards or designated accounts.

#### **TERMINATION**

You may terminate this Agreement with us at any time. The Credit Union reserves the right to terminate this Agreement and/or your use of your Debit Card or PIN with or without cause. We may do so immediately if:

- a) you or any authorized user of your Debit Card, PIN or account breaches this or any other agreement with the Credit Union;
- b) we have reason to believe that there has been, or might be, an unauthorized use of your Debit Card, PIN or account; or
- c) you or any authorized user of your Debit Card, PIN or account request that we do so.

#### **ADDITIONAL BENEFITS/CARD ENHANCEMENTS**

The Credit Union may from time to time offer additional services to your Account. Some may be at no additional cost to you and others may involve a specified fee. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

## **WAIVER OF RIGHTS**

The Credit Union can delay enforcing any of the provisions under this Agreement or the law any number of times without losing its right to enforce them at a later date.

## **OTHER AGREEMENTS**

Except as stated otherwise in the Agreement, this Agreement does not alter or amend any of the terms or conditions of any other agreement you may have with the Credit Union.

## **SEVERABILITY**

If any part of this Agreement should be held to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

## **WHO IS BOUND BY THIS AGREEMENT**

Each person who signs the Application agrees to be bound by the terms and conditions of this Agreement. If more than one person signs the application, all signers are jointly and severally liable. The Credit Union can waive or delay enforcement of its rights as to one signer without affecting its ability to enforce its rights as to the other signers. The Agreement is also binding upon your heirs, personal representatives and successors.

## **SIGNATURES**

By using your access to the system, or authorizing anyone else to use your access to the system, and/or by signing the application, you agree to be bound by the terms and conditions of this Agreement and Disclosure.

### **➔ *Additional Disclosures Applicable to ACH Services***

#### **DOCUMENTATION OF DIRECT DEPOSIT**

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (800) 336-KERN (5376) or (661) 327-9461 or you can inquire through the Tellerphone Audio Response Service or Internet Banking Service to find out whether or not the deposit has been made. If the only possible transfers to or from your account are direct deposits or pre-authorized deposits, you will get at least a quarterly statement from us.

#### **DISCLOSURE OF RIGHT TO STOP PAYMENT**

a) Right to stop payment and procedure for doing so.

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how: Call us at (800) 336-KERN (5376) or (661) 327-9461, or write to us at P. O. Box 1667, Bakersfield, California 93302, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call we may also require you to put your request in writing and get it to us within 14 days after you call.

b) Notice of varying amounts.

If these regular payments vary in amount, the person you are going to pay will tell you 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

#### **TRANSACTIONS AVAILABLE**

You may use your ACH services to perform the following transactions:

- Make deposits to your share or checking account;
- Make loan payments;
- Pay bills directly from your checking account in the amounts and on the days you request;
- Authorize a merchant or other payee to make a one-time electronic payment from your share draft/checking account using information from your check to pay bills or pay for purchases; and
- Authorize a merchant or other payee to debit your share draft/checking account for returned check fees or returned debit entry fees.

All payments and deposits are subject to later verification by us.

### **➔ *Additional Disclosures Applicable to Mastercard® Debit Card Services***

#### **ISSUANCE OF CARD**

“Card” means the Kern Federal Credit Union Mastercard Debit Card and any duplicates, renewals or substitutions the Credit Union issues to you; “Account” means the account designated on the application for your Mastercard Debit Card.

#### **RESPONSIBILITY FOR TRANSACTIONS**

You are responsible for all transactions you make with the Card or that you authorize another person to make with the Card. You understand that if you disclose your Debit Card PIN to anyone, they will have access to all accounts identified by your account number. If the Account is a joint account, all transactions involving the account are binding on all Account holders.

## **RULES FOR USE**

By using your Debit Card with your personal identification number (PIN) at automated teller machines “ATM’s” or other electronic terminals operated by a participating institution, network system, or company (collectively “terminals”), you authorize us to effect the transactions from or to your share or checking account(s) in accordance with the instructions given at the terminals. All Debit Card transactions are subject to the terms and conditions of your account agreements with us governing the affected accounts.

## **ATM FEES**

When you use an ATM not owned by Kern Federal Credit Union, you may be charged a fee by the ATM operator and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. A fee will not be imposed for use of a Debit Card issued by Kern Federal Credit Union for use of an electronic terminal operated by Kern Federal Credit Union.

## **MERCHANT DISPUTES**

For POS transactions directly accessing a line of credit, the credit union is not responsible for the refusal of any merchant or financial institution to honor the card. The credit union is subject to claims and defenses (other than tort claims) arising out of goods or services you purchase with the card if you have made a good faith attempt but have been unable to obtain satisfaction from the merchant or service provider and (a) your purchase was made in response to an advertisement the credit union sent or participated in sending to you or (b) your purchase cost more than \$50 and was made in your state or within 100 miles of your home.

## **ACCESS CARDS**

All Debit Cards are non-transferable and belong to the Credit Union. The Credit Union may cancel, modify and restrict the use of any Debit Card upon proper notice or without notice if your account is overdrawn or where necessary to maintain or restore the security of accounts on the ATM system.

## **LIMITATIONS ON DOLLAR AMOUNTS AND FREQUENCY OF TRANSACTIONS**

Purchases made above the floor limit of the merchant will require an authorization number from Mastercard.

With your Debit Card you may make ATM cash withdrawals up to \$500 each 24-hour period as long as your available balance will cover the transaction. You may make up to 15 daily ATM transactions.

The Mastercard Debit Card purchase transaction limit is \$2,500 each 24-hour period, as long as your available balance will cover the transaction. You may make up to 15 daily transactions.

Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth herein. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM.

## **USE OF THE CARD**

You may use the Card and PIN to:

- Withdraw cash from your Account at ATMs, merchants, or financial institutions that accept Mastercard Debit Card;
- Transfer funds between your Account and another account you have with the Credit Union; and
- Make deposits to one of your accounts at the Credit Union;

You may use the Card without the PIN to:

- Purchase goods or services at places that accept Mastercard Debit Card (these are point-of-sale or POS transactions);
- Order goods or services by mail, telephone or online from places that accept Mastercard Debit Card; and
- Make automatic payments from your Account to pay bills or other charges, providing that the person or organization that you are paying agrees to accept payments this way.

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

Use of the Card, the account number on the Card, the PIN or any combination of the three for payments, purchases, or to obtain cash from merchants, financial institutions or others who honor Mastercard Debit Card is an order by you for the withdrawal of the amount of the transaction from your account. Each transaction with the Card will be charged to your account on the date the transaction is posted to your account. When the Credit Union receives notification of a Debit Card transaction, it will put a hold on an equivalent amount of funds in your checking account for 3 days or until the day the transaction is charged to your account.

All Card transactions covered by this Agreement are subject to the terms and conditions of your account agreements with us governing the affected accounts, except as modified by this Agreement. Any future changes to your account agreements may affect the use of the card.

## **ILLEGAL USE OF MASTERCARD® DEBIT CARD**

You agree that your Mastercard Debit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

## **OVERDRAFTS**

You promise to pay the Credit Union immediately upon demand for any negative (overdraft) balance arising in your Account, unless you have available overdraft privileges. If you do not have overdraft privileges, the Credit Union may deduct the amount of any overdraft on your Account from any other account you have with the Credit Union, except an Individual Retirement Account.

## **REFUSAL TO HONOR CARD**

The Credit Union is not liable for the refusal or inability of any electronic terminal to honor the Card or to complete a withdrawal from your Account, or for their retention of the Card. The Credit Union is also not responsible for the refusal of any merchant or financial institution to honor the Card or for their retention of the Card.

## **MASTERCARD® CROSS-BORDER TRANSACTIONS**

Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. If a Cross-border Transaction on a U.S.-issued credit or debit card is submitted to Mastercard in the currency of the country of the merchant, Mastercard will convert the transaction to the cardholder billing currency using its currency conversion procedure. Mastercard uses either a government mandated exchange rate, or a wholesale exchange rate selected by Mastercard. The government-mandated exchange rate or wholesale exchange rate Mastercard uses for a particular transaction is the rate Mastercard selects for the applicable currency on the day the transaction is processed, which may differ from that applicable to the date the transaction occurred or when it is posted to your account. Added to your Cross-border Transaction are a Mastercard Issuer Cross-border Assessment of nine-tenths of one percent (.9%) and Currency Conversion Assessment of two-tenths of one percent (.2%).

## **ATM SAFETY**

An ATM provides a quick and convenient way to access your money. However, use caution and remember the following safety tips whenever you use an ATM:

- Be aware of the surroundings, particularly at night.
- Look for well-lighted ATM's when transacting at night.
- If you notice anything suspicious when approaching the ATM, return later or use another ATM.
- Have your transaction ready before you go to the ATM. When you can, fill out any deposit or withdrawal slips/envelopes before leaving your vehicle.
- Have your Debit Card ready, to avoid going through your purse or searching through the contents of your wallet at the ATM site.
- If you notice anything suspicious while you are transacting business, immediately stop your transaction, put your Debit Card away and leave.
- Consider having another person accompany you to the ATM.
- Immediately report all crimes to the ATM operator and to local law enforcement officials.
- Stand close to the ATM and away from others in line to avoid detection of your PIN or other account information.
- Put your cash away as soon as the transaction is complete; count the cash later in the safety of your vehicle or home.
- Never give information to strangers at the ATM or to anyone over the phone. Be aware of fraud or people who pose as Credit Union employees who try to get information from you. This information should only be discussed in person by you at the Credit Union.
- Remember to keep your PIN a secret. Make sure not to write it on your Debit Card or anywhere else in your wallet; thieves can easily figure out the reason for "hidden" or "secret" numbers.

## **➡ *Additional Disclosures Applicable To Internet Banking And Bill Payment Services***

Internet Banking is our computer banking service that allows access to your accounts without assistance from our staff by using the Credit Union website and your own selected Internet Banking PIN.

## **MINIMUM SYSTEM REQUIREMENTS**

In order to conduct transactions through the Service with us, you need a computer (in this Disclosure and Agreement, your computer and the related equipment are referred to together as your "Computer") with a web browser, your member number, and Internet Banking PIN.

YOU UNDERSTAND THAT THE CREDIT UNION DOES NOT MAKE ANY WARRANTIES ON EQUIPMENT, HARDWARE, SOFTWARE OR INTERNET PROVIDER SERVICE, OR ANY PART OF THEM, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE CREDIT UNION IS NOT RESPONSIBLE FOR ANY LOSS, INJURY OR DAMAGES WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, CAUSED BY THE INTERNET PROVIDER, ANY RELATED SOFTWARE, OR THE CREDIT UNION'S USE OF ANY OF THEM OR ARISING IN ANY WAY FROM THE INSTALLATION, USE, OR MAINTENANCE OF YOUR PERSONAL COMPUTER HARDWARE, SOFTWARE, OR OTHER EQUIPMENT.

## **ACCOUNT ACCESS**

Internet Banking is available for your Share Account, Checking Accounts, Money Market Accounts and most other savings account(s) (with the exception of IRA accounts) and loan account(s) (including VISA®) using your PIN specific to this service.

## **TYPES OF AVAILABLE TRANSACTIONS**

You may use your Internet Banking PIN for:

1. Access to Mobile Banking.
2. Balance inquiries.
3. Account history for up to at least the past twelve (12) months.
4. Transfer of funds among and between your accounts.
5. Transfers to other members' accounts.
6. Withdrawals from your Share Account(s) (except from IRAs) or Checking Account(s) or advances on your Personal Line of Credit made by Credit Union check issued in the name of the member appearing first on the Account Signature Card mailed to your address of record.
7. Loan payments by transfers from your Share Account, Checking Account or Money Market Account.
8. View account history or download account history.
9. Utilize the Bill Payment service from your designated checking account (requires you to enroll in the Bill Payment program).
10. We may offer additional services in the future and, if so, you will be notified of them.

## **LIMITATIONS ON FREQUENCY AND DOLLAR AMOUNT OF TRANSACTIONS**

1. Withdrawals from your Share Account(s) or Checking Account(s) or loan advances on your Personal Line of Credit, whether by check or transfer to other accounts are not limited in terms of minimum or maximum dollar amounts per transaction except as listed below.
2. All withdrawals and transfers from a Share or Checking Account are limited to the extent of clear funds available in the Account.
3. All loan advances are limited to the amount available from the Personal Line of Credit.
4. Bill Payments are limited in terms of the maximum dollar amount to \$70,000 per payment.

Refer to the Rate and Fee Schedules for applicable rates and charges.

## **AUTHORIZATION**

You authorize us to charge your designated checking account(s) for any transactions accomplished through the use of the Bill Payment service, including the amount of any recurring payment that you make, and all charges as shown in the Rate and Fee Schedules associated with Bill Payment service. You authorize us to transfer funds electronically between your designated checking account(s) according to your instructions initiated through Internet Banking.

## **ELIGIBILITY**

You understand that in order to use Internet Banking, you must have an account in good standing and have a PIN with us.

## **INTERNET BANKING PIN**

You understand that you cannot use Internet Banking without a member identification number, which we refer to as a PIN. YOU AGREE THAT THE USE OF THE PIN CONSTITUTES A REASONABLE SECURITY PROCEDURE FOR ANY TRANSACTION.

You are responsible for the safekeeping of your PIN and for all transactions made by use of Internet Banking. You will notify us immediately by phone and send written confirmation if your PIN is disclosed to anyone other than the joint owner of your account. If you disclose your PIN to anyone (including without limitation, an account aggregate service provider), however, you understand and agree that you have given them access to your account via Internet Banking and you are responsible for any such transaction. You understand and agree that you must change the PIN immediately to prevent transactions on your account if anyone not authorized by you has access to your PIN. You further understand and agree that your PIN is not transferable and you will not disclose it or permit any unauthorized use thereof.

If you voluntarily subscribe to a third party account aggregation service where your selected Credit Union deposit and loan account(s) as well as your accounts at other financial/investment institutions may be accessed on a web-site, you may be requested to give your Credit Union PIN to the aggregate service provider. You understand that by doing so, you are providing the aggregate service provider access to your account(s) at the Credit Union.

## **JOINT ACCOUNTS**

If you utilize the Service to access your Accounts, which are jointly owned, transactions performed on any such account by electronic means where your PIN is utilized shall be considered authorized by you.

## **FEES ASSOCIATED WITH BILL PAYMENT**

You may be charged a Monthly Service Fee for the unlimited use of the Bill Payment feature

All applicable fees will be charged as set forth in our Rate and Fee Schedules.

## **BILL PAYMENT SERVICES AGREEMENT**

In addition to the Internet Banking terms and conditions, the following additional terms and conditions apply to Bill Payment services: To use Bill Payment services, you must enroll in the Bill Payment program. All payments made through Bill Payment service will be deducted from your designated checking account. Any payee you wish to pay through Bill Payment must be payable in U.S. Dollars. Each payee must appear on the payee list you create with us and the account you are paying must be in your name. You may not use Bill Payment service to make payments to a federal, state or local government or tax unit, or to other categories of payees that we may establish from time to time.

Payments to Billers outside of the United States or its territories are prohibited through this service.

You must allow sufficient time for the payee to receive and process the payment before the payment due date (the due date shown on your invoice or provided in your agreement with payee, not taking into account any grace period provided by payee). If you do not allow sufficient time, you will assume full responsibility for all late charges, finance charges, or other actions taken by payee.

**IMPORTANT:** Payment may take up to five (5) days for each vendor (payee), as they are sent either electronically or by check. The Credit Union is not liable for any service or late charges levied against you. You may make arrangements to pay certain recurring bills from your designated checking account.

The Bill Payment service provider is responsible only for exercising ordinary care in making payments upon your authorization and for mailing or sending a payment to the designated merchant in accordance with this Agreement. The Credit Union and the Bill Payment service provider are not liable for any damages you incur if you do not have sufficient funds in your designated checking account to make the payment on the processing date, if the estimated time to allow for delivery to the payee is inaccurate, or due to delays in mail delivery, changes of merchant address or account number, the failure of any merchant to credit the account correctly for the payment in a timely manner, or for any other circumstances beyond the control of the Credit Union or the Bill Payment service provider.

We will overdraft from your available accounts according to the instructions you have given us if there are not sufficient funds in the designated checking account.

If we are unable to process a transaction due to insufficient available funds, you are responsible for either making alternate arrangements for the payment, or rescheduling the payment through Bill Payment service. Insufficient available funds will prevent us from making more payments until resolved. You authorize us, and any third-party acting on our behalf, to choose the most effective method to process your payments. You will receive a transaction confirmation number for each properly instructed payment. Unless you receive a confirmation number, we shall not be liable for any failure to make a payment.

We may charge your designated checking account on the day that a check or other transaction is presented to us directly or electronically for payment. The Credit Union reserves the right to refuse to make any payments, but we will notify you of any such refusal within three (3) business days following receipt of your process date.

Under some circumstances, you may stop or modify some authorized payments.

Payments designated as in process transactions cannot be stopped, canceled, or changed once your Bill Payment session is terminated. In order to request a stop payment or change a Bill Payment transaction designated, you must contact the Bill Payment service provider toll-free at (866) 820-7972, 24 hours a day, 365 days a year.

If you wish to cancel your Bill Payment service feature, you must notify us in writing at:

Kern Federal Credit Union  
P.O. Box 1667, Bakersfield, CA 93302

You will be responsible for all payment instructions made prior to termination and for all other applicable charges and fees. You will cancel all outstanding payment orders with the payee(s) before notifying us to terminate this service feature.

This Agreement, any user's manual, and the applicable fees and charges may be amended by us in the future. In the event of amendment, we shall send notice to you either by mail to your last known address or transmit such notice of the amendment over the Internet Banking Service. Your use of the Bill Payment service feature following the receipt of such notice constitutes acceptance of such amendment.

## **REGULATIONS RELATING TO FUND TRANSFERS**

### **APPLICABLE LAW**

This agreement and notice applies to funds transfers as defined in the Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System.

### **FUNDS TRANSFER CUT-OFF TIME**

The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time will be at 1:00 p.m. on each weekday that the Credit Union is open excluding holidays. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next funds transfer business day and processed accordingly.

### **SERVICE CHARGES/FEEES**

The Credit Union may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made. Please refer to our Schedule of Fees for current fees.

### **SECURITY PROCEDURES**

The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the security procedure, if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure unless you notify the Credit Union in writing that you do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing, on an alternate security procedure.

### **USE OF FEDWIRES**

If you send or receive a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions. Regulation J will govern Fedwire transactions, except to the extent of a conflict between Regulation E and Regulation J with respect to remittance transfers, in which case, Regulation E shall govern.

### **IDENTIFICATION OF BENEFICIARY**

If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's bank on the basis of the identifying or bank account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identification number you provided the Credit Union.

### **IDENTIFICATION OF BENEFICIARY AND INTERMEDIARY BANK BY NUMBER**

If you give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different bank than the named bank. This means that you will be responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided.

### **PROVISIONAL ACH PAYMENTS**

The Credit Union may at its discretion give you credit for automated clearinghouse (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you would be liable to repay the Credit Union.

### **NOTICE OF RECEIPT OF ACH FUNDS**

The Credit Union may accept payments on your behalf via ACH. ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide you with next day notice of receipt of ACH credit transfers to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements which we provide.

### **RECEIPT OF INCOMING (NON-ACH) FUNDS TRANSFERS**

If the Credit Union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic account statements which we provide. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.

### **PAYMENT OF DIVIDENDS (OR INTEREST)**

If the Credit Union becomes obligated under Article 4A to pay interest (or dividends) to you, you agree that the rate of interest (or dividends) to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

## **YOUR ABILITY TO WITHDRAW FUNDS**

Our policy is to make funds from your deposits available to you on the first business day after the day 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, Credit Union holidays and federal holidays. If you make a deposit before the close of business or 3:00 p.m. at a drop box 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 the close of business or after 3:00 p.m. at a drop box, we will consider that the deposit was made on the next business day we are open.

### **LONGER DELAYS MAY APPLY**

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. However, the first \$200 of your deposits will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first 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 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.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of 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 7th business day after the day of your deposit.

### **SPECIAL RULES FOR NEW ACCOUNTS**

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 10th business day after the day of your deposit.

### **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.

## **UNCLAIMED PROPERTY LAW- IMPORTANT NOTICE ABOUT YOUR ACCOUNT(S) (CALIFORNIA RESIDENTS)**

In accordance with California's Unclaimed Property Law, C.C.P. §1500, et seq., any funds held by the Credit Union (including, without limitation, funds in a share, share draft, certificate, or other account, sums for the payment of cashier's checks, teller's checks, etc.) may be transferred to the Unclaimed Property Division of the California State Controller's Office if no activity occurs in the account within the time period specified by state law.

We may assess a fee for sending you notice regarding your unclaimed property as set forth in our Fee Schedule.

## **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 Holders”. 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 and will be owned by all Account Holders jointly and equally regardless of their net contributions and are subject to the withdrawal of 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.

## ORDER OF POSTING; UNDERSTANDING YOUR AVAILABLE AND ACTUAL BALANCE

**Order of Posting:** The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. We will pay checks, automated debits (ACH), Debit Card transactions, ATM withdrawals and point-of-sale transactions in the order presented to the Credit Union. Multiple checks presented for payment on the same day will be paid in check number order. For ACH transactions, credits are posted first then debits are posted according to the transaction date and time per batch. For ATM Card and Debit Card transactions, items are posted in the order received. You understand that the order in which items are processed can affect the total amount of fees that may be assessed against your account. The Credit Union reserves the right to adjust the above processing times in its sole discretion.

**Actual and Available Balances:** It is also important that you understand the difference between your “actual balance” and your “available balance” in order to properly manage the money in your account and avoid overdraft and insufficient fund fees. Your “actual balance” is the beginning of the day balance after the prior evening’s posting. This balance is changed at the close of business every day and stands as is until the close of business on the following day. Your “available balance” is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. The difference between your actual balance and your available balance is the result of pending activity that has not yet posted to the account (example, any “pending” deposits, checks, transfers and withdrawals or holds on your account). We will use the “available balance” in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone or by accessing your account online or with mobile banking.

You understand that you may be overdrawn even when your actual balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the

authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. You must keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section entitled "Your Ability to Withdraw Funds." If you have additional questions about your available or actual balance, please see a branch representative or call (661) 327-9461.

#### **FINANCIAL ABUSE REPORTING**

Account Holder(s) understand(s) and agree(s) that the Credit Union may report known or suspected illegal or fraudulent activity including, but not limited to, the following:

- Financial abuse involving an elder or dependent adult;
- Where the ownership or collectibility of funds are subject to dispute; or
- Misuse or abuse of account services;

to appropriate law enforcement or government entities, as required or permitted by law. In addition, the Credit Union reserves the right to suspend, restrict, deny or terminate account services and activity, including the placement of an administrative hold (freeze) on account proceeds, or take such other actions as deemed necessary under the circumstances. Account Holder(s) agree(s) to indemnify and hold the credit union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys' fees, as a result of any action or inaction taken in relation to the matters described here.

#### **NOTIFICATION OF CHANGES**

Each Account Holder agrees to promptly notify us in writing of any change in address(es). If you fail to do so, we may send notices, statements or other important information to the address shown in our records and you agree to release us from any liability for doing so. You also agree to notify us in writing of any change in ownership or authorized signers, or if an owner or authorized signer dies or is placed under legal guardianship or conservatorship. We may, at our option, require a new Account Agreement to be completed before any such change takes effect. Any such changes shall not affect transactions previously made.

#### **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 checking account or the issuance of a Debit 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**

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

#### **REPORTING INACCURATE INFORMATION**

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at Kern Federal Credit Union, P.O. Box 1667, Bakersfield, CA 93302, so we can investigate.

#### **POST-DATED SHARE DRAFTS AND CHECKS**

The Credit Union will treat all share drafts or checks as though the share drafts or 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) understands that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)'s shares 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) understands that the Credit Union may enforce this right without further notice except Individual Retirement Accounts (IRA), Keogh Plan, Social Security/SSI, and as otherwise prohibited by law.

## **ATTORNEYS' FEES**

You agree to pay the Credit Union all of our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement.

## **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 preauthorized, automatic, online or telephonic transfers made to another account at the Credit Union or to a third party or no more than six transfers or withdrawals made by check, draft, debit card or similar order payable to a third party may be made from each savings account or money market deposit account in any calendar month. 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 as if it were a check drawn and signed by an Account Holder(s) 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 available 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) conducts a transaction against insufficient or unavailable funds in this Checking Account, the Credit Union is authorized to charge the designated share account(s), regardless of which party initiated the transaction, in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the transaction and any associated fees and to credit such charge to this Checking Account. No transaction 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 LOAN OVERDRAFT PROTECTION**

If any Account Holder(s) conducts a transaction against insufficient or unavailable funds in this Checking Account, 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 the transaction and any associated fees.

## **OVERDRAFT PRIVILEGE PAY PROGRAM**

The Credit Union recognizes that sometimes you may overdraw your checking account. In such cases the Credit Union may decide to honor checks, automated debits, ATM withdrawals, Debit Card transactions, and bill payment debits for which there are insufficient or unavailable funds. This is the Credit Union's Overdraft Privilege Pay Program.

Unless the Credit Union currently has your affirmative consent (opt-in) on file, we will not pay your overdrafts for ATM withdrawals and debit card purchases at a store, online, or by telephone. You must tell us you want overdraft coverage for these transactions. To request overdraft coverage for your ATM withdrawals and debit card purchases, please contact us by calling us at (661) 327-9461 or write to us at P.O. Box 1667, Bakersfield, CA 93302. Complete and sign the Overdraft Consent Form, which is provided with this disclosure, or mail it to us at the address shown. The credit union will provide you with written confirmation of your opt-in choice.

The Credit Union provides the Overdraft Privilege Pay Program as an accommodation to you and is not obligated to do so, even when it has done so in the past. You do not apply for this service.

To be eligible for this service, you must meet all of the following criteria:

- Must be at least 18 years of age;
- Must have an active checking account that has been open for a minimum of sixty (60) days;
- Must maintain a Member Savings (S1) Account with a minimum balance of \$25;
- Must not be delinquent on any Credit Union loan accounts beyond fifteen (15) days;
- Must have a current, valid mailing address.

When an overdraft is covered, the account will be taken negative by the dollar amount of the overdraft plus the amount of the Overdraft Privilege Pay Program fee as stated on the Fee Schedule. If we honor multiple overdrafts we will process them in any order received or return any such items. The following Overdraft Privilege Pay limits are:

- \$500, if a minimum deposit of \$500 has been made into the account within the past 35 days;
- \$1,000, if a minimum of two (2) deposits totaling of at least \$3,000 has been made into the account within the past 65 days OR if a monthly paycheck or other monthly recurring payments has been directly deposited into the account of at least \$1,500 within the past 35 days;

When the Credit Union honors overdraft items, you must deposit funds immediately, but in no case more than thirty (30) days from the date of the first overdraft. If you fail to cover the total overdraft amount within thirty (30) days, your Overdraft Privilege Pay will be suspended and the Credit Union may pursue all collection options available to it. The Credit Union may, but is not obligated to, transfer funds from your other accounts with us to cover the overdraft.

The Overdraft Privilege Pay Program fee is a flat fee charged regardless of the amount the account is overdrawn and will be charged for each overdraft item presented and paid by the Credit Union. The maximum total fees charged to your account, per day, will not exceed six (6) items regardless of the number of items paid using the Overdraft Privilege Pay service. The charge for Overdraft Privilege Pay Service is stated on the Fee Schedule. The Overdraft Privilege Pay Program service is a discretionary privilege offered members and not a right of membership. The Credit Union encourages you to properly maintain your accounts with us. You agree that the Credit Union will not be held liable for either paying or refusing to pay any overdraft item. The Credit Union reserves the right to discontinue this service at any time without any notice.

If you do not want the Overdraft Privilege Pay Program, you must inform the Credit Union by using any of the following methods: in person; by telephone at (661) 327-9461; or by sending written notice to Kern Federal Credit Union at P.O. Box 1667, Bakersfield, CA 93302.

### ➡ ***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.

