



## **Business Account Agreement and Disclosure**

This disclosure is intended to provide you with information about one or more accounts offered by the Family First of NY Federal Credit Union (the "Credit Union"). It contains rules which govern your account(s) with us. Please read this disclosure carefully as you are entering into a binding agreement with the Credit Union. If you sign an Account Agreement Card and use your account after you receive this disclosure it means you understand and agree to these rules. Much of our relationship with our members is governed by our bylaws and by state and federal law, both of which may change from time to time. The Credit Union may make changes to this agreement at any time. You will receive written notice of any changes to the extent required by law. If you have any questions, please contact a Member Service Representative.

As used in this disclosure, the word "we" means the Credit Union and the word "you" means the account holder. The word "ACCOUNT" means any one or more deposit accounts you have with the Credit Union, including, but not limited to, regular share (savings) or share draft (checking) accounts. Words and phrases used in this disclosure should be interpreted so that the singular includes the plural and the plural includes the singular (except where we clearly intend otherwise.) The Credit Union reserves the right to waive the enforcement of any of the terms in this Agreement with respect to any transaction to the extent permitted by law. Any such waiver would not affect the right of the Credit Union to enforce any of its rights with respect to other members, or to enforce any right with respect to a later transaction with you. All questions or communications to us should be sent to:

Family First of NY Federal Credit Union  
2520 Browncroft Boulevard  
Rochester, NY 14625

All accounts are subject to Family First of NY Federal Credit Union's Fee and Business Fee Schedule(s) of service charges.

### **Business Membership**

To be and remain a member of this Credit Union, you must subscribe to at least one \$5.00 share and have your business membership application approved by a Family First authorized representative. Your membership will terminate if you withdraw all of your shares.

Family First reserves the right not to accept into membership any entity or person who caused Family First or any other financial institution a loss or previously abused the privileges of Family First membership. You authorize us to check your accounts and credit history and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

You represent and warrant that the accounts will be used for business purposes only, and will not be used for personal, family or household purposes. You further agree to implement reasonable measures to ensure that the account is used for business purposes only.

You agree not to use any of your accounts to initiate any type of electronic gambling transactions through the Internet.

The following are persons authorized ("Authorized Persons") to establish and act on behalf of the business member with respect to accounts held at the credit union:

- If the business member is a sole proprietor, the business owner and any other person designated by the business owner;
- If the business member is a partnership, each partner or general partner in the case of a limited partnership and any person designated by the partners;
- If the business member is an organization or is an unincorporated organization or association, the individuals vested with the power to make decisions concerning the operation of the business member must designate the Authorized Persons to establish accounts at the credit union and transact business on such accounts on behalf of the business member.

Authorized Persons are vested with the authority to open and close accounts, obtain loans, sign notes and credit agreements, pledge, assign, mortgage or otherwise grant a security interest on behalf of the business member, and transact any business of any nature on such accounts including but not limited to the following:

- Depositing, withdrawing and transferring funds into, out of and between one or more accounts;
- Signing drafts, checks and other orders of payment or withdrawals;
- Issuing instructions regarding orders of payment or withdrawals;
- Endorsing any check, draft, share certificate and other instrument or order for payment owned or held by the business member; and
- Receiving information of any nature about the account.

Authorized Persons may execute additional agreements and documents we require to access, transact business on and otherwise exercise authority over your accounts.

We have no obligation to inquire as to the use of any funds or the purpose of any transaction made on your account by an Authorized Person and are not responsible for any unauthorized transaction by an Authorized Person.

We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. It is your responsibility to provide us with specimen signatures of all Authorized Persons and to inform us immediately in writing of any changes.

You and any Authorized Persons agree to the terms of this Agreement and the Fee and Business Banking Fee Schedule(s). You authorize us to deduct these charges directly from the account balance as accrued. You will pay any additional charges for services you request which are not covered by this Agreement.

You and any Authorized Persons agree to be jointly and severally liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability and you are liable regardless of whether you signed the item or benefited from the charge or overdraft. This includes liability for our costs to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees.

You may choose to terminate your membership in the credit union by withdrawing all shares from the accounts your business has an ownership interest in, including all shares in your Business Membership Share Account, and indicating to a Family First representative, either verbally or in writing that you intend to terminate your business membership. However, we reserve the right to require you to give us seven days' notice in writing before an intended withdrawal. In certain circumstances, we may require your signature to close your account.

If after you terminate your personal membership you choose to open accounts with us, you will need to prove that your business remains eligible for membership at Family First.

Family First reserves the right to terminate any of your business accounts at any time without notice to you or may require you to close any of your business accounts and apply for new accounts if:

- a. There has been a forgery or fraud reported or committed involving your account;
- b. There is a change in the legal structure of your business;
- c. Any Authorized Persons are no longer authorized to bind the business to legal agreements;
- d. There is a dispute as to the ownership of an account or the funds in an account;
- e. There has been any misrepresentation or any other abuse of any of your accounts;
- f. It is deemed necessary to prevent a loss to the credit union;
- g. It is reported that an access device has been lost or stolen, including but not limited to the following access devices: your business checks, Family First Visa® Debit Card or both your business identification number and password(s) for internet or telephone banking.
- h. There are excessive returned unpaid items not covered by an overdraft protection plan.

If either Family First or you close any of your accounts and you have periodic payments deposited to your account or pre-authorized withdrawals (also known as debits) taken from your accounts, you must notify the third parties initiating the transaction that your account is being closed. Family First will not be liable to you for any damages you incur due to your failure to notify third parties that your account was closed. After your account is closed, we will return to the originating financial institution any debits or payments we receive.

Any termination of this Agreement, either by us or by you, will not release you from any fees or other obligations you incurred before termination or you incur in the process of closing your account. Family First is not responsible for payment of any check, withdrawal or any other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse the credit union.

Accounts are not transferable or assignable by you or any Authorized Person without the expressed written approval of an authorized officer of the credit union.

If you and/or an Authorized Person have caused Family First a loss, behaved abusively toward Family First employees or members, persistently and egregiously violated commonly accepted standards of personal hygiene or public manners, or participated in any unsafe or unsound practice through which the interests of Family First or its members has been or could be jeopardized, you and/or the Authorized Person may have all or some credit union services reduced or denied within the limits of applicable law which pertain to the loss incurred. Actions may include denial of all Credit Union services and products, other than the right to maintain a share account and the right to vote at annual meeting and special meetings. In such cases, the member's share account shall cease to earn dividends. The member's sub-accounts will be closed and all funds will be transferred to the primary share account. No other services will be extended to the member. Member will be notified in writing of any outstanding loans and their current balance. The member will be advised that all terms of the loan(s) are in effect and enforced.

To have services reinstated, you must submit in writing an explanation of the circumstances that caused the loss or your prior behavior and the specific services you wish to have reinstated. Family First must be reimbursed for any loss, including but not limited to, late charges and collection fees, including court costs and reasonable attorney's fees.

Any financial service provided by Family First may be used for any transaction permitted by law. You agree that illegal use of any financial service will be deemed an action of default and breach of the terms and conditions of this Agreement and will cause such service and other related services to be terminated by the credit union. You further agree, should illegal use occur, to waive any right to sue Family First for such illegal use or any activity directly or indirectly related to it. Additionally, you agree to indemnify and hold Family First harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use. Even if you use your accounts for an illegal use, you agree to be responsible for all amounts and charges incurred in connection with the illegal use.

Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest and certain other payments. If you fail to provide your correct TIN, we (i) reserve the right to suspend opening your account; or (ii) reserve the right to close your account and return the balance to you, less any applicable service fees.

If the account is in the name of an individual person or a business that is organized as a sole proprietorship, we may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of the Account Owner's death. Once we are notified of an Account Owner's death, we may pay drafts or honor other payments or transfer orders authorized by the Account Owner for a period of 10 days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the drafts or other items. We may require anyone claiming a deceased Account Owner's account funds to indemnify us for any losses resulting from our honoring that claim.

This Agreement will be binding upon any heirs or legal representatives of any Account Owner that is an individual or organized as a sole proprietorship.

You agree to reimburse Family First for any loss caused by the use of any of your accounts, including but not limited to, late charges and collections fees, including court costs and reasonable attorney's fees. You authorize Family First to deduct any such costs from any share account you have with the credit union.

### **Important Information about Procedures for Opening a New Account**

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 or is made an authorized signer on an account.

What this means: When I open an account or become an authorized signer, I will be asked for my name, address, date of birth and other information that will allow you to identify me. I may also be asked to show my driver's license or other identifying documents.

You may also be required to furnish specific documents based on the type of business opening the membership.

## **Deposits**

Any noncash item deposited to your account (including items drawn "on us") will be given provisional credit only until collection of the item is final. We are not responsible for transactions initiated by mail or an outside depository until we actually record them. All transactions received after our "daily cutoff time" on a business day we are open, or received on a day on which we are not open for business, will be treated and recorded as if initiated on the next business day that we are open. Family First may charge back any item to your account at any time before final payment. If after final payment, someone makes a claim that an item was altered, forged, unauthorized or should not have been paid for some other reason, we may hold the funds until a final determination has been made as to ownership of the funds. Any fees we incur may be charged to your account. We are not responsible for transactions by mail or outside depository until we actually record them. If you make a deposit on a day we are closed or on a day we are open but after our business hours, we will consider that the deposit was made on the next business day we are open. We reserve the right to refuse or return any item or funds transfer.

We may redeposit items taken for deposit, cash or other value, or we may return the item to you and charge your account. If your account does not contain sufficient funds to reimburse us for the amount of the item, you must repay us for the amount we are unable to collect from your account. If we choose to redeposit an item, we are not required to notify you that the item was returned unpaid. We may charge your account and/or seek recovery directly from you

## **Withdrawals**

You may make withdrawals or transfers from your account in any manner which is permitted by the credit union (such as check, ATM, in person, by mail, by telephone and automatic transfer, as applicable). Anyone who signs in the space designated for Signature on the Account Agreement Card may withdraw or transfer all or any part of the account balance at any time. Each of you authorizes the other person signing the Account Agreement Card to endorse any item payable to you or your order for deposit to your account or any other transaction with us (until we receive written notice to the contrary.) We reserve the right to refuse any withdrawal or transfer request which is attempted by any method not specifically permitted or which exceeds frequency limitation or violates any minimum or maximum dollar limitation. We will use the date a transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitation. Withdrawals will first be made from collected funds and we may refuse any withdrawal request against uncollected funds. The Credit Union usually allows funds to be withdrawn at any time without previous notice, but reserves the right to demand 60 days written notice of withdrawal from any account (except a checking account).

We may refuse any withdrawal or transfer request which you attempt on forms not approved by us, by any method we do not specifically permit, which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. Even if we honor a nonconforming request, we may treat continued abuse of stated limitations (if any) as your act of closing the account. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. The fact that we may honor withdrawal requests that overdraw the available account balance does not obligate us to do so later. See the Funds Availability Policy section of this Agreement for information about when you can withdraw funds you deposit.

**Withdrawal Restrictions.** We reserve the right to restrict withdrawals or transfers from your account and shall not be liable for any restrictive action we take regarding (i) withdrawals or transfers; or (ii) payments or non-payments of a share draft, except for those damages which may arise solely as a result of the credit union's failure to exercise ordinary care.

We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal. Drafts or other transfers or payment orders which are drawn against insufficient funds may be subject to a service charge as set forth in our Business Banking Rate Sheets and Business Banking Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds.

We may limit or refuse a withdrawal in some situations, and will advise you accordingly; for example: (i) a dispute involving the account (unless a court has ordered the credit union to allow the withdrawal); (ii) a legal garnishment or attachment is served; (iii) the account secures any obligation to us; (iv) required documentation has not been presented; (v) you fail to repay a credit union loan on time; (vi) if (non-corporate account) a depositor is deceased or (corporate account) the corporation is in bankruptcy proceedings or has been dissolved and the required disposition of the account has not been made; (vii) someone with authority to do so requests us not to permit the withdrawal; or (viii) there are other circumstances which do not permit us to make the withdrawal. We also reserve the right to refuse any withdrawal which is attempted by any method not specifically permitted by us. We may require you to give written notice of seven days to 60 days before any intended withdrawals.

You may withdraw or transfer funds from your account in any manner we permit (e.g. in person or by ATM, Point of Sale device, automatic transfer, ACH, Business Internet Banking, other available electronic means, mail or telephone). Transfer of funds from one of your accounts into another account with us if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing.

## **Liability**

Each of you agrees, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the charges that we may impose. Today you received a copy of the Fee Schedule which itemizes all charges and is part of this agreement. You authorize us to deduct these charges directly from the account balance as incurred. You also agree to pay additional reasonable charges we may impose for services you request which are not contemplated by this agreement or your account. Each of you also agrees to be jointly and severally liable for any account deficit (resulting, for example, from charges imposed, overdrafts, or items cashed or deposited that are returned unpaid) whether caused by you or another authorized to withdraw from your account, together with the costs we incur to collect the deficit including, to the extent permitted by law, our reasonable attorney's fees. In addition the member waives the right to a jury trial in disputes concerning their accounts with the Credit Union.

## **Types of Accounts**

As a Credit Union business member you may take advantage of many different accounts to help you manage your money and increase your savings. Please ask us about the specific accounts we offer.

## **Liens or Garnishment of Your Account(s)**

We have a lien on all funds in all your accounts with us. This lien extends to funds now or hereafter deposited with us (plus dividends and any insurance benefits.) As part of this Agreement, you and any Authorized Person grant to us as security for all obligations you have or may have in the future, a right to and a lien on all funds in any account, except as prohibited by law, which you and any Authorized Person hold, either in your name, a business name or as a joint account owner at Family First. This lien secures loans, charges, overdrafts or any amount you may now or hereafter owe us. We may enforce this lien by applying your funds directly to any amount you owe us and we may exercise this right without obtaining a court judgment and as otherwise permitted by law.

Set off is the right of one who is indebted to another to reduce or eliminate the indebtedness by charging against the debt any amount which the creditor in that transaction may owe him in another transaction as borrower or guarantor. The Credit Union may use the account to pay the debt even if withdrawal results in an interest penalty or dishonor of subsequent drafts.

Any garnishment, levy or execution against the account is subject to the Credit Union's right of set off and security interest. If garnishment, levy, or execution is brought upon the account, the Credit Union may refuse to allow any withdrawals until the dispute is resolved. In such a case, the Credit Union will not be liable to the member, even if paying the money to the third party leaves insufficient funds to cover outstanding drafts. All expenses in responding to a court order are chargeable to the member.

## **Fees**

The Credit Union has the right to charge fees in connection with its services. We pay account earnings and assess fees against your accounts as set forth in the Business Banking Fee Schedule and the general membership Fee Schedule. These fees may change from time to time. The current Fee Schedule and Business Banking Fee Schedule is available and the member will receive written notice of any changes as required by law.

We may impose a fee as set forth in the Fee and Business Banking Fee Schedule(s) or in this Agreement if an account has no activity initiated for a specified period of time. If your account is inactive for the period of time defined by New York State law, Family First is required to turn over the funds in the account to the appropriate state department. Once funds have been sent to the state, we have no further liability to you for such funds.

## **Account Transfer**

Funds may be transferred from one member to another or one account to another, only by written instrument, in such form as the Credit Union may prescribe.

## **Direct Deposits**

You must authorize direct deposits and pre-authorized transfers by filling out a separate document. You must notify us at least 30 days in advance to cancel or change a direct deposit or pre-authorized transfer. Upon a bankruptcy filing, unless you

cancel a direct deposit or pre-authorized transfer, we will continue making direct deposits in accordance with your authorization on file with us. If, in connection with a direct deposit plan, we deposit any amount in an account which should have been returned to the Federal Government or another party via the Automated Clearing House (ACH) for any reason, you authorize us to deduct the amount of our liability from your account without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

If you voluntarily give information about your account (such as the credit union's routing number or your account number) to a third party, Family First presumes that you have authorized the receipt of that information to initiate debits to your account, even if a particular transaction may not be authorized. Family First will honor such debits until you take the actions required by law to stop them.

**Additional Rules for Checking (Share Draft) Accounts:** The word "item" will mean a check and any other means of deposit or withdrawal. (For example, an "item" could be a check deposited to or written on an account, or an electronic deposit to, transfer, or withdrawal from an account.) The following rules apply to our checking accounts:

**Forms:** You must use only approved check forms to withdraw funds from this type of account. Withdrawals by electronic funds transfer will be explained in the Electronic Funds Transfer Services Disclosure and Agreement.

**Overdrafts:** We are under no obligation to pay an item which exceeds the collected balance in your account. If however, we do pay such an item, you are still responsible for the overdraft and any fee we may impose for it.

**Overdraft Protection:** If, the authorized owner(s) writes a check that would exceed the collected balance, the Credit Union may: 1) treat such checks as a request for an advance from your Line of Credit loan account if you have one (in multiples of \$100) sufficient to pay such checks, and/or 2) transfer shares from any other regular share account from which the authorized owner(s) is then eligible to withdraw shares. A fee is charged for each transfer, as disclosed in the Fee Schedule.

**Payment of Checks or Other Instruments:** We may pay a check or other instrument on whatever day it is presented for payment, no matter what date appears on the check. If a member dies or is adjudicated incompetent, the Credit Union retains the reasonable opportunity to act on it. Even with knowledge, the Credit Union may, for ten (10) days after the date of death, pay drafts drawn before death unless ordered to stop payment by a person claiming an interest in the account.

The Credit Union is protected from liability when it continues to honor a member's draft even though it has received notice of an adverse claim to the account. Unless the Credit Union is served with appropriate court order or the claim provides the Credit Union with indemnity (at a level acceptable to the Credit Union) it may ignore the adverse claim.

Family First may charge back at any time prior to midnight on its second banking day following the day of receipt, any item drawn on Family First which is drawn against insufficient funds or otherwise not good or payable. All other items are credited subject to the receipt of final payment in cash or solvent credits by Family First at our own office. Deposit and collection of all items shall be governed in other respects by applicable law. Family First shall not be liable for any damage caused by its premature payment of a postdated check, through accident or inadvertence, whether such damages arise from dishonor of a check subsequently presented or otherwise. Family First shall have all the rights of a purchaser and holder-in-due-course of a postdated check for which it pays out money or gives other value, in good faith, before the date of the instrument.

**Paid Checks:** Paid checks will not be returned to you. We will make photocopies available to you of specific paid checks upon your request. A fee is charged for each check copied, as disclosed in the Fee Schedule.

**Stop Payments:** You may stop payment on a check drawn on your account. An oral stop order is effective for only fourteen (14) days and must be followed up with written notice that is effective for six (6) months. The Credit Union will not honor a stop payment order on a cashier's check or certified check. You must inform the Credit Union of the account number, the check number and the dollar amount of the check. Also, the Credit Union is entitled to a reasonable period of time following the stop order to notify its employees. A fee is charged for each stop payment order placed, as disclosed in the Fee Schedule.

**Wrongful Dishonor:** If we dishonor an item by mistake, our liability is limited to actual damages proved. The Credit Union retains the right to pay or dishonor a check more than six (6) months old without prior notice to the member. The Credit Union retains the right to disregard information on the check other than the identification of the payor, payable through bank, payee, and the amount.

**Statements:** The Credit Union will mail statements monthly to the member. You are responsible for promptly notifying us of any address or name change. You are expected to examine the statements carefully and reconcile the account. If there are any discrepancies, the Credit Union should be notified immediately, as the statement is considered correct unless the Credit Union is notified of any errors within sixty (60) days after you receive the statement.

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

**Termination of Account:** We may close your checking account at any time by mailing you a notice with a remittance for the balance in it. We are not liable for refusing to pay any check presented after an account is closed.

**Our Liability:** You may terminate the account relationship upon written ten (10) day notice. The termination, however, does not release you from the obligation of payment of accrued fees or liability for drafts in process, and entitles you to the return of the balance less any appropriate debit items.

## **Funds Availability Policy**

Our policy is to make funds from your deposits available to you on the first business day after the day we receive your deposit. At that time, you can withdraw the funds and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit after our closing time or on a day we are not open, 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 business day after the day of your deposit. However, the first \$200 of your deposit will be available on the first business day after we receive your deposit. 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 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 deposited will not be paid.

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 eleventh (11) business day after they day of your deposit.

### **Deposits at Automated Teller Machines (ATM)**

Funds from any deposit (cash or check) made at automated teller machines (ATM's) we do not own or operate may not be available until the fifth business day after the day of your deposit.

Funds from deposits made at Family First of NY Federal Credit Union owned ATMs are available in accordance with the normal schedules set forth above. All ATMs that we own or operate are identified as "our machines".

### **Night Drop Deposits**

If you make a deposit on a day that is not a business day or after branch business hours, we will consider that the deposit was made on the next business day we are open.

### **Special Rules for Business Accounts**

If you deposit more than 20 checks at one time (a "batch deposit"), the first \$200 of your deposit will be available on the business day of your deposit, notwithstanding the types of checks that are included in the batch deposit.

However, the first \$1,000 of your deposit, including a batch deposit, will be available on the business day of your deposit if:

- You are a member in good standing, AND
- You have an average monthly share balance of at least \$1000 OR you have a current loan with us, other than a Business Overdraft Line of Credit

### **Special Rules for New Accounts**

If you are a new business member, the following special rules will apply during the first thirty (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. The excess over \$5,000 will be available on the ninth business day after the day of your deposit.

Special Checks: The full amount of checks deposited by the payee will be available immediately. Special Checks include:

- U.S. Treasury checks payable to you.
- Federal Reserve Bank checks, Federal Home Loan checks and U.S. Postal Money Orders payable to you.
- Cashier's checks, certified checks and teller checks payable to you.
- State and local government checks payable to you.
- Checks or share drafts drawn on Family First of NY Federal Credit Union.

### **BUSINESS SHARE DRAFTS (CHECKING ACCOUNTS) AND BUSINESS SHARE (SAVINGS) ACCOUNTS**

All transactions relating to your checking accounts are accepted subject to later verification, and correcting entries may be made if any errors are discovered. Family First shall not be responsible for payment of items which are presented the same day deposits are made, unless there is already a sufficient balance in the account in addition to such deposits.

Unless a different limitation is disclosed in writing, we limit the number of transfers or withdrawals you make from your business savings accounts to six per calendar month per account from your account to another account of yours to a third party by means of a pre-authorized, automatic or Internet transfer, by telephone order or instruction. A pre-authorized transfer includes any arrangement with us to pay a third party from your account upon oral or written orders including orders received through the Automated Clearing House ("ACH"). When a transfer exceeds these limitations, we may refuse or reverse it, we may assess fees against your account and we may suspend or close your account and transfer the balance to an account without such transfer limitations. There is no limit on the number of transfers you may make to a credit union loan account. There is no limit on the number of withdrawals you may make if the withdrawal is made in person, by mail, messenger or at an ATM. There is no limit on the number of withdrawals/transfers from your checking account.

Family First is not required to honor any restrictive legends on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "void after 90 days", "not valid for more than \$1,000", or "two signatures required".

You authorize us at any time, to charge you for all checks, drafts, or other orders for the payment of money, that are drawn on us regardless of by who or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose.

Like any standard check or draft, a remotely created check (sometimes called e-check, pre-authorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection; (i) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (ii) you will maintain proof of authorization for at least two years from the date of authorization, and supply us



with the proof if we ask; and (iii) if a check is returned, you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you will owe us the remaining balance. You agree to indemnify and hold the credit union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

Family First may assess an Inactive Account Fee of up to \$5.00 each month, close your account(s) and change your status to Inactive Member on accounts if:

- a. You have not initiated activity for one year, AND
- b. The aggregate balance in all your share accounts is less than \$100.00, AND
- c. You have no active loans.

Refer to the Fee and Business Banking Fee Schedule(s) for a list of fees.

Family First will make every effort to honor your stop payment orders on your non-electronically initiated checks (share drafts). Family First requires a written stop payment order. Any Authorized Person may request a stop payment order on any draft drawn on your account. The stop payment will be effective if the credit union receives the order within a reasonable time for the credit union to act upon the order.

Unless such stop payment order is cancelled or renewed, a stop payment order is effective for six months. To be effective, your stop payment order must identify the following:

- a. Check number.
- b. Account number on which the check was written.

Family First reserves the right in processing a stop payment order to require you to also identify the following:

- a. Name of the person who signed the check.
- b. Name of the payee on the check.
- c. Date of the check.
- d. Exact amount of the check.

We cannot stop checks that do not match the instructions you have provided us. To stop the payment, we must have enough advanced notice to ensure that our systems will be alerted to your stop payment order before the check clears. You may request a stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop payment request may be made only by the person who initiated the stop payment order. A fee for processing the stop payment order will be charged in accordance with our Business Banking Rate Sheets and Business Banking Fee Schedule. You must request a renewal in writing before the expiration of the prior stop payment order. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If we re-credit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action.

Although payment of an item may be stopped, you may remain liable to any item holder, including us. You have the burden of establishing the fact and amount of loss resulting from the payment of an item contrary to a binding stop payment order. You agree to indemnify and hold the credit union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

## **BONUS CHECKING FOR BUSINESS**

Rate Information: These accounts are variable rate accounts. The dividend rate and annual percentage yield may change weekly.

No minimum balance requirement to open the account.

Minimum balance to obtain the disclosed annual percentage yield is \$1,500.00:

Compounding and Crediting Frequency: Dividends are compounded daily and credited monthly on the ledger balance.

Tier 1: \$ 1,500 – \$50,000

Tier 2: \$50,001 - \$100,000

Tier 3: \$100,001+

Fees: Refer to the Fee Schedule. For those accounts where checks are allowed, an insufficient funds fee will be charged for each item returned for insufficient funds.

Your first 500 transactions ("threshold") are free. Once you exceed the threshold, a per item fee will be charged for each transaction. Refer to the Business Banking Fee Schedule for a list of transactions, fees and charges.

### **BUSINESS ENHANCED CHECKING**

The minimum balance requirement to open the account is \$1.00.

There is a monthly service charge for this account (refer to the Business Banking Fee Schedule for the exact fee charged).

No dividends are paid on this checking account. This account features an earnings credit which is applied to reduce or eliminate some fees on the account. If the earned credit exceeds the fees for any period, you will be assessed none of those fees but you will not be paid, carry forward or otherwise receive credit for any excess earned credits. The earnings credit is applied against all standard monthly transaction fees.

The earnings credit is based on a variable index and is calculated using the following formula: (earnings credit X average collected balance) / 365 X number of days in monthly cycle. Refer to the Business Banking Fee Schedule for the earnings credit rate index.

No transaction limitations apply to this account.

Refer to the Business Banking Fee Schedule for a list of transactions, fees and charges.

### **Courtesy Pay**

Family First's Courtesy Pay programs provide overdraft protection for qualifying members whenever funds in their share draft accounts are insufficient to cover checks, debit card purchases and other payments that are attempting to clear. For each account Family First's Courtesy Pay programs cover qualifying transactions up to a negative checking account balance of \$500 including Courtesy Pay fees on the Business Value Checking share and \$1,500 on a Business Enhanced Checking share. Family First will exhaust other means of overdraft coverage, including draws from a MoneyLine or transfers from savings accounts, prior to the utilization of the Courtesy Pay programs. It is the policy of Family First to process members' account transactions chronologically as they are received.

The credit union's Courtesy Pay Programs are not intended to encourage members to overdraw their accounts. Courtesy Pay is a privilege for members in good standing who have a checking account with the credit union. Family First reserves the right to discontinue the Courtesy Pay programs on any or all accounts at any time without prior notice. In addition, Family First may refuse to pay any transaction that overdrafts an account at any time, even if overdrafts were previously paid. Loan delinquency and account misuse may result in loss of courtesy pay privileges. The credit union may immediately suspend a member's Courtesy Pay privileges if abuse of the programs has been determined. The credit union may also suspend debit card privileges when the use of the Courtesy Pay programs is deemed to be detrimental to either the member or the credit union.

For qualifying members, Family First offers two types of Courtesy Pay programs: Standard and Enhanced.

#### **Standard Program**

Qualifying members are automatically enrolled in the Standard Courtesy Pay program. The Standard Courtesy Pay program pays share drafts (i.e., checks), ACHs, recurring debit card and on-line bill pay transactions when a member overdraws his/her account or when funds are not currently available in the account. A Standard Courtesy Pay fee (see current Fee and Business Banking Fee Schedule(s)) is charged to the account each time the standard courtesy pay feature is used. Courtesy Pay is triggered only when all other available overdraft options are depleted. The Standard Courtesy Pay program does not apply to ATM cash withdrawals or payment of Family First loans.

#### **Enhanced Program**

In addition to the Standard Courtesy Pay program, members who opt-in for the Enhanced Program may also obtain coverage for approved debit card transactions even when the member has insufficient funds available in his/her account to cover these transactions and other overdraft options are not available. Both new and existing members must opt-in to enroll in the Enhanced Courtesy Pay program. Opt-in forms are available at [www.familyfirstny.com](http://www.familyfirstny.com) or at any branch

location. An Enhanced Courtesy Pay fee (see Fee and Business Banking Fee Schedule(s)) is charged to the account each time the enhanced courtesy pay feature is used.

#### Program Guidelines

The following criteria could make a member ineligible for any of the Courtesy Pay programs:

The business or authorized signers have previously caused Family First a loss

Membership is not in good standing

The business has a Family First loan that is 30 days or more past due

The member's Business Value Banking account has been open for 60 days or less

The member or business had a previous courtesy pay transaction that was not repaid within 20 days.

Family First encourages its members to keep track of the balances in their accounts and to reconcile their checkbooks regularly. Family First is not obligated to provide notification prior to payment or return of any item.

Members have the right to 'opt-out' of either or both of the Courtesy Pay programs at any time. Members with negative account balances are encouraged to bring their accounts positive as soon as possible. The account must be brought positive within 20 days or a Negative Balance Fee will be assessed and both types of Courtesy Pay program privileges will be suspended. If an overdraft occurs on an account that has more than one owner on the signature card, each owner shall be jointly and severally liable for all overdrafts, including any fees assessed.

### **BUSINESS MEMBERSHIP SAVINGS**

Regular share

Par Value of a Share: The par value of a regular share in this credit union is \$5.00.

Rate Information: This account is a variable rate account. The dividend rate and annual percentage yield on this account may change quarterly.

Compounding & Crediting Frequency: Dividends are compounded daily and credited quarterly on the ledger balance.

Minimum Balance to Open the Account: \$5.00 within the share account. Minimum Balance to Obtain the Annual Percentage Yield Disclosed: \$25.00

During any statement period you may not make more than six transfers to another Credit Union account of yours or to a third party by means of preauthorized or automatic transfer or telephone order or instruction. No more than six transfers may be made by check, draft, debit card, if applicable, or similar order to third party. If you exceed the transfer limitations during your monthly cycle, your account may be subject to closure by the Credit Union, and you may be charged a fee for each excess item.

### **BUSINESS MONEYBUILDER**

Rate Information: These accounts are variable rate accounts. The dividend rate and annual percentage yield may change weekly.

Compounding and Crediting Frequency: Dividends are compounded daily and credited monthly on the ledger balance.

Minimum Balance To Open the Account and Obtain the Annual Percentage Yield Disclosed:

Tier 1: \$ 1,500

Tier 2: \$10,000

Tier 3: \$50,000

Fees: Refer to the Fee Schedule. For those accounts where checks are allowed, an insufficient funds fee will be charged for each item returned for insufficient funds. The CU supplies MoneyBuilder checks at no cost to the member.

During any statement period you may not make more than six transfers to another Credit Union account of yours or to a third party by means of preauthorized or automatic transfer or telephone order or instruction. No more than six transfers may be made by check, draft, debit card, if applicable, or similar order to a third party. If you exceed the transfer limitations during your monthly cycle, your account will be subject to closure by the Credit Union, and you may be charged a fee for each additional item. If your account balance falls below Tier 1, you will not earn a dividend for that period.

## **MONEY MARKET GOLD**

Rate Information: This account is a variable rate account. The dividend rate and annual percentage yield may change weekly.

Compounding and Crediting Frequency: Dividends are compounded daily and credited monthly on the ledger balance.

Minimum Balance to open the account: At least \$25,000 is required to open this account.

Minimum balance to obtain disclosed annual percentage rate:

Tier 1: \$ 25,000

Tier 2: \$100,000

Tier 3: \$500,000

To receive the disclosed Annual Percentage Yield, the end-of-day ledger balance for each day in the monthly cycle must always be \$25,000.00 or greater. If on any day the ledger balance drops below \$25,000.00, the account will accrue no dividends for that month.

Fees: Certain fees may apply. Refer to our Fee Schedule.

Transaction Limitations: No checks may be processed against this account. If attempted, they will reject and a fee may be charged. During any statement period, no more than three withdrawals may be made to another Credit Union account or a third party by means of preauthorized or automatic transfer, telephone order, or written instruction. Any transaction that exceeds the transfer limitations or reduces the balance below \$25,000.00, subjects the account to closure and fees.

## **TERM SHARE ACCOUNTS (CERTIFICATE ACCOUNTS)**

Rate Information: This account is a fixed rate account. The Annual Percentage Yield is a percentage rate that reflects the total amount of dividends to be paid on an account based on the Dividend Rate and frequency of compounding for an annual period. The dividend rate and annual percentage yield is based on the assumption that dividends remain on deposit until maturity. A withdrawal of dividends will reduce earnings.

Selected terms of 12 to 17 months will renew to the rate of a 12-month certificate.

Selected terms of 18 to 23 months will renew to the rate of a 18-month certificate.

Selected terms of 24 to 35 months will renew to the rate of a 24-month certificate.

Selected terms of 36 to 47 months will renew to the rate of a 36-month certificate.

Selected terms of 48 to 59 months will renew to the rate of a 48-month certificate.

Selected terms of 60 months will renew to the rate and term of a 60 month certificate.

Compounding and Crediting Frequency: Term Accounts: Dividends are compounded daily and credited quarterly and at maturity on the ledger balance on all certificates with a term of 1 year or more. Dividends are compounded daily and credited at maturity on the ledger balance on all certificates with a term less than 1 year.

Minimum Balance To Open the Account and Obtain the Annual Percentage Yield Disclosed:

Regular Certificates: \$500

Mini Jumbo Certificate: \$50,000

Jumbo Certificate: \$100,000

IRA Certificate: \$500

Transaction Limitation: You may not make any deposits into your account before maturity. You may make withdrawal of dividends from your account before maturity if the certificate term is one year or more and this option is made at the time of the certificate purchase. You may not make any withdrawals of principal from your account before maturity unless withdrawal is because of the death of any owner; withdrawal is after the close of the dividend period in which the owner(s)

membership was terminated under Article II, Section 5 of the bylaws or withdrawal is a result of the voluntary or involuntary liquidation of the Credit Union. We may impose a penalty if we grant your withdrawal request.

**Maturity Date:** You can choose the term of maturity from any period of three (3) to sixty (60) months. You will receive a certificate of maturity notice at least ten days in advance of the maturity date of your certificate. If your instructions for renewal are not received by the Credit Union prior to the maturity date, the certificate will automatically be renewed for the same term at the prevailing annual percentage rate. You may withdraw the deposited shares without penalty for 10 calendar days after the maturity date.

**Early Withdrawal Penalties:** Penalties may be imposed for withdrawals before maturity. If the certificate term is less than one year, a penalty of 90 days dividends will be imposed based on the current rate of the account. If the certificate term is one year or greater, a penalty of 180 days dividends will be imposed. This may invade the principal. There are certain circumstances, such as the death or incompetence of an owner, where we may waive or reduce this penalty.

**Exceptions to Early Withdrawal Penalties:** At our option, we may pay the account before maturity without imposing an early withdrawal penalty under the following circumstances: When an account owner dies or is determined legally incompetent by a court or other body of competent jurisdiction.

**Renewal Policy:** As an automatically renewable account, your account will automatically renew for another term upon maturity at the prevailing rate. You have a grace period of ten (10) days after maturity in which to withdraw funds in the new account without being charged an early withdrawal penalty.

## **BUSINESS CERTIFICATE OF DEPOSIT SECURED LOAN**

Family First offers the ability to use a certificate of deposit as collateral for a loan. The balance of the loan must be less than or equal to the balance of the certificate of deposit. The term of the certificate can range from 12 months to 60 months. The certificate of deposit funds will remain on hold for the term of the loan or until the loan balance is zero and has been closed.