



Account Disclosures

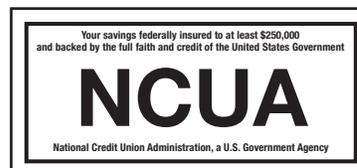
Effective 1/15/2019

The following disclosures are applicable to your accounts at Lanco Federal Credit Union and are accurate as of the effective date shown above. The terms and conditions contained herein are subject to change. You may always obtain current disclosures by contacting the credit union.

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NOTICE FOR NEW ACCOUNTS

As required by the USA Patriot Act of 2001, which requires Lanco Federal Credit Union to help the government fight the funding of terrorism and money laundering activities, Lanco FCU must obtain basic information from you and verify that information when you open a new account.

This means that Lanco FCU will ask you for some basic information such as your name, address, date of birth, and other information designed to help us identify you. Lanco FCU staff may also ask to see documents identifying you, such as a driver's license, passport or some other government-issued identification. Lanco FCU appreciates your patience and understanding as we all do our part in complying with the new account identification procedures required by the federal USA Patriot Act of 2001.

CHECKING ACCOUNT AGREEMENT

By establishing and maintaining a checking account ("this account") with Lanco Federal Credit Union, the account owner(s) ("you") hereby authorize Lanco FCU to pay checks signed by you and to charge all such payments against the shares in this account. It is further agreed that:

- a. Only share draft checks and other methods approved by Lanco FCU may be used to make withdrawals from this account.
- b. Lanco FCU is under no obligation to pay a check that exceeds the available balance in this account. However, if you write a check that would exceed the available balance and result in your account being overdrawn, Lanco FCU may pay this item if Overdraft Transfer or Overdraft Privilege is available for the amount needed. A service charge may apply to this transaction.
- c. Lanco FCU may pay a check on whatever day it is presented for payment, notwithstanding the date (or any limitation on the time of payment) appearing on the check.
- d. When paid, checks become the property of Lanco FCU and will not be returned either with the monthly statement of this account or otherwise.
- e. Except for negligence, Lanco FCU is not liable for any action it takes regarding the payment or nonpayment of a check.
- f. Any objection regarding any item shown on a monthly statement of this account is waived unless made in writing to Lanco FCU before the end of 60 days after the statement is mailed.
- g. This account is also subject to such other terms, conditions and service charges as Lanco FCU may establish from time to time.

JOINT SHARE ACCOUNT AGREEMENT

(NOT TRANSFERABLE)

Lanco Federal Credit Union is hereby authorized to recognize any of the signatures subscribed in the payment of funds or the transaction of any business for this account. The joint owners of this account hereby agree with each other and with Lanco FCU that all sums now paid in on shares, or heretofore or hereafter paid in on shares by any or all of said joint owners, to their credit as such joint owners with all accumulations thereon, are and shall be owned by them jointly, with right of survivorship and be subject to the withdrawal or receipt of any of them, and payment to any of them or the survivor or survivors shall be valid and discharge Lanco FCU from any liability for such payment. The joint owners also agree to the terms and conditions of the account as established by Lanco FCU from time to time.

Any or all of said joint owners may pledge all or any part of the shares in this account as collateral security to a loan or loans from the credit union.

The right or authority of Lanco FCU under this Agreement shall not be changed or terminated by said owners, or any of them, except by written notice to Lanco FCU, which shall not affect transactions theretofore made.

FUNDS AVAILABILITY POLICY

This policy statement applies to “transaction” accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and, with some limitations, telephone and pre-authorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Please ask us if you have a question about which accounts are affected by this policy.

Our general policy is to make funds from your deposits available 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 the funds are available, you can withdraw them in cash and we will also use them to pay checks that you have written. In some cases, we may delay your ability to withdraw funds beyond the second business day. Then, the funds will generally be available by the fifth business day after the day of deposit.

During the delay, you may not withdraw funds in cash and we will not use the funds to pay checks that you have written.

Determining the Availability of a Deposit

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and Federal holidays. If you make a deposit before we close 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 we close or on a day we are not open, we will consider that the deposit was made on the next business day we are open. The length of the delay varies depending on the type of deposit and is explained below. A deposit mailed to Lanco FCU is considered made when it is received by Lanco FCU.

Next-Day Availability

Funds from the following deposits may be immediately available or available on the first business day after the day of your deposit.

- Cash
- US Treasury checks that are payable to you
- Preferred Business Partner checks that are payable to you
- Wire transfers, including pre-authorized credits such as social security benefits and payroll payments
- Checks drawn on Lanco FCU that are payable to you
- State and local government checks that are payable to you
- Cashiers, certified, and teller checks, local checks, money orders and travelers checks that are payable to you
- Federal Reserve Bank checks, Federal Home Loan bank checks, and postal money orders that are payable to you
- Insurance checks that are payable to you

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 fifth business day after the day of your deposit. The first \$200 of your deposit, however, may be available on the first business day.

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 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 computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit. If we decide to take action after you have left Lanco FCU, we will mail you the notice by the first business day after we receive the deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Exceptions for Large Deposit in Excess of \$5,000

An extended hold applies to the amount in excess of \$5,000. The first \$200 will be available on the next business day following the day of your deposit; \$4,800 would be available on the second business day following the deposit; and any excess of the \$5,000 will be available on the seventh business day following the day of deposit.

Example: A check in the amount of \$12,000 is deposited on Monday; \$200 is available Tuesday; \$4,800 is available Wednesday; and \$7,000 is available on the following Wednesday.

Deposits at Automated Teller Machines

Funds from any deposits (cash or checks) made at an automated teller machine (ATM) that we do not own or operate will not be available until the fifth business day after the day of your deposit.

All ATMs that we own or operate are identified as Lanco FCU machines.

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. The excess over \$5,000 will be available on the seventh business day after the day of your deposit.
- Funds from all other check deposits will be available on the second business day after the day of your deposit.

Substitute Check Policy

What Is a Substitute Check?

To make check processing faster, federal law permits financial institutions to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What Are My Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, Non-Sufficient Funds fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

Expedited Refunds

To obtain an expedited refund, you must send us a claim. Federal law limits an expedited refund to the amount of your loss, up to the amount of the substitute check, plus interest if your account earns interest. You should be aware that you could be entitled to additional amounts under other state or federal law.

How Do I Make a Claim for a Refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by calling (717) 569-7180 or writing to Lanco Federal Credit Union, 349 West Roseville Road, Lancaster, PA 17601.

You must contact us within 40 calendar days of the latter of these two dates:

- The date that we delivered the account statement showing the charge that you are disputing; or
- The date on which we made the substitute check available to you.

We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances (such as a long trip or hospital stay).

Your expedited refund claim must include:

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect)
- An estimate of the amount of your loss
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss
- A copy of the substitute check and/or information to help us identify the substitute check such as the check number, the name of the person to whom you wrote the check and/or the amount of the check

Our Responsibilities for Handling your Claim

We will investigate your claim promptly. If we conclude that we incorrectly charged your account, we will refund to your account the amount of your claim (up to the amount of the substitute check, plus interest if your account earns interest) within one business day of making that decision. If we conclude that we correctly charged your account, we will send you a notice that explains the reason for our decision and include either the original check or a better copy of the original check than the one you already received. If we have not made a decision on your claim within 10 business days after you submitted it, we will refund the amount that we owe to your account, up to \$2,500, plus interest, to your account by the 45th calendar day after you submitted your claim.

If we refund your account, on the next business day we will send you a notice that tells you the amount of your refund and the date on which you may withdraw that amount. Normally, you may withdraw your refund on the business day after we make it. In limited cases, we may delay your ability to withdraw up to the first \$2,500 of the refund until the earlier of these two dates:

- The day after we determine that your claim is valid; or
- The 45th calendar day after the day that you submitted your claim.

Reversal of Refund

We may reverse any refund that we have given you if we later determine that the substitute check was correctly charged to your account. We also may reverse any interest we have paid you on that amount if your account earns interest. Within one business day after we reverse a refund, we will send you the original check or better copy of the original check than the one you previously received, explain to you why the substitute check was correctly charged to your account, and tell you the amount and date of the reversal.

TRUTH-IN-SAVINGS DISCLOSURE

The following disclosures contain important information about the account(s) that you have with Lanco Federal Credit Union and are provided as required by the Truth-in-Savings Act. The information included in this disclosure is effective as of the date below and is subject to change. For information about dividend rates and any applicable fees, refer to the Rate and Fee Schedule.

General Terms Applicable to:
All Accounts

Definitions

Annual Percentage Yield ("APY"). 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.

Dividend Period. The dividend period begins on the first calendar day of the month and ends on the last calendar day of the month.

Rate and Annual Percentage Yield

The dividend rate and APY may change as determined by Lanco Federal Credit Union's Board of Directors. Share savings and IRA accounts may change at any time. Money Market Savings, Kasasa Saver, and Kasasa Cash accounts may change monthly. Club Savings accounts may change annually. The dividend rates and APYs are the prospective rates and yields that the credit union anticipates paying for the applicable period. Refer to the Rate Schedule for current rates and APYs.

Minimum Balance Requirements

The minimum balance requirements applicable to each account are set forth in Lanco FCU's Rate Schedule.

Accrual of Dividends

Accrual of dividends begins the day that you make the deposit to your account.

Nature of Dividends

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

Fees for Overdrawing Accounts

A fee may be imposed on any withdrawal or transfer that is drawn on an insufficient available account balance, including, but not limited to, a check, draft, returned deposited item, ATM or debit card transaction, pre-authorized automatic debit, telephone-initiated withdrawal, or any other electronic withdrawal or transfer transaction. The entire balance in your account may not be available for withdrawal, transfer, or paying a check, draft, or item. Consult the Funds Availability Policy for information regarding the availability of funds in your account. Fees for overdrawing your account may be imposed for each overdraft, regardless of whether we pay or return the draft, item, or transaction. If we have approved Overdraft Privilege for your account, such fees may reduce your approved limit. Transactions may not be processed in the order in which they occurred, and the order in which transactions are received and processed may impact the total amount of fees you incur. Fees may reduce earnings. Refer to the Fee Schedule for current fee information.

Specific Terms Applicable to:
Share Savings, Kasasa Saver®, Kasasa Cash®, Hang Ten, IRAs, Money Market Savings, Club Savings, and Additional Savings Accounts

Balance Computation Method

Dividends are paid based on the average daily balance of your account. The method for calculating the average daily balance adds the ending balance of the account from each day of the month and divides that sum by the number of days in the month. The average daily balance is then multiplied by the dividend rate.

Dividend Compounding and Crediting

Dividends are compounded monthly. If you close your account before the dividends are credited, you will not receive the accrued dividends. Dividends are credited to the account on the last day of the dividend period.

Specific Terms Applicable to:
Share Savings, Kasasa Saver, and Additional Savings Accounts

Account Limitations

Federal Regulation D limits the number of pre-authorized, automatic, or electronic transfers (including online banking and telephone banking) from your account to another account of yours or to a third party to no more than six per account per month.

Specific Terms Applicable to:
Money Market Savings Accounts

Account Limitations

If you exceed four withdrawals or transfers in a dividend period, you will be charged an excessive transaction fee as set forth in the Fee Schedule. Federal Regulation D limits the number of pre-authorized, automatic, or electronic transfers (including online banking and telephone banking) from your account to another account of yours or to a third party to no more than six per account per month.

Specific Terms Applicable to:
Club Savings Accounts

Account Limitations

Club balances are paid to you by transfer to another account of yours, and the club account remains open. Christmas clubs are paid on the last day of September, and vacation clubs are paid on the last day of April. Early withdrawals, transfers, or closure of this account will incur a fee as set forth in the Fee Schedule. Electronic or automatic transfers are not permitted from this account. Withdrawals or transfers may only be initiated by the account holder's oral or written request.

Specific Terms Applicable to:
Hang Ten Savings Accounts

Purpose and Expected Use

This account is intended to be used as a long-term savings program to encourage members ages 17 and under to save consistently and better prepare for financial responsibility in adulthood.

Qualifications and Dividends

Each month in which deposits (not including dividends) total \$10.00 or more, regular dividends plus an additional \$1.00 dividend credit will be paid. Each month in which deposits total \$9.99 or less, only regular dividends will be paid.

Account Limitations

This account is intended to be used for deposits only until the account holder has reached age 18. Early withdrawals, transfers, or closure of this account will incur a fee as set forth in the Fee Schedule. Electronic or automatic transfers are not permitted from this account. Withdrawals or transfers may only be initiated by the account holder's oral or written request.

Account Maturity

This account will reach maturity on the first calendar day of the month following the account holder's eighteenth birthday. The balance of this account will be transferred to the Share Savings account and the Hang Ten account will be closed.

General Terms Applicable to:
Kasasa Cash® and Kasasa Cash Back® Accounts

Definitions

Monthly Qualification Cycle. A period beginning one calendar day prior to the first day of the current month through one calendar day prior to the last day of the current month.

Qualifications

To earn your rewards, all of the following items must be met during each Monthly Qualification Cycle:

- At least one direct deposit or ACH transaction post and settle to account
- At least 12 debit card purchases post and settle to account
- Enrollment in E-Statements

Transactions may take one or more days from the date the transaction occurred to post and settle to the account. The following transactions do not count toward earning account rewards: ATM transactions, transfers between accounts, and debit-card transactions processed by merchants and received by Lanco FCU as ATM transactions.

Purpose and Expected Use

This account is intended to be the member's primary checking account in which payroll transactions and day-to-day spending activities including but not limited to grocery, gasoline, apparel, shopping, dining, sporting and entertainment transactions are posted and settled.

Commensurate with the spending activities identified above, Lanco FCU expects the member's debit card to be used frequently throughout each month and for transaction amounts to reflect a wide dollar range. Small debit card transactions conducted on the same day at a single

merchant and/or multiple transactions made during a condensed time period particularly near the end of a Monthly Qualification Cycle are not considered normal, day-to-day spending behavior. These types of transactions appear to be conducted with the sole purpose of qualifying for the account's rewards and will be deemed inappropriate transactions and will not count toward earning the account's rewards.

Lanco FCU reserves the right to determine if the account is being maintained for a purpose other than day-to-day, primary use. Members who persist in making debit card transactions in a calculated and limited fashion in order to meet their monthly qualifications may have their accounts converted to a different checking account or closed altogether. Lanco FCU also reserves the right to convert the account to a different checking account if the account does not have consistent active use over six consecutive dividend periods.

Lanco FCU has the right to close this account at any time, with proper notice. Our decision to close the account will not affect your existing obligations to us including any obligation to pay fees or charges incurred prior to termination. No deposits will be accepted and no checks will be paid after the account is closed. If the account is closed, you will forfeit any rewards that have not been credited to your account. A Lanco FCU check for the remaining balance, if applicable, will be mailed to the member at the address on record. Upon termination of your Kasasa Cash or Kasasa Cash Back account, any optional add-on products and services associated with this account will also be terminated.

Additional Information

Kasasa accounts are for consumer use only and are not available for the following types of accounts: business, representative payee, estate, and second chance. There is a limit of one Kasasa account per social security number. No minimum deposit is required to open the account and no minimum balance is required to obtain the account's rewards. Rewards may change after account is opened. There are no fees to open or close this account. There are no recurring monthly service charges associated with this account. See accompanying Fee Schedule for fees that may apply to this account. Enrollment in electronic services (e.g. online banking, electronic statements) may be required to meet some of this account's qualifications. Contact a Lanco FCU member service representative for additional information, details and enrollment instructions.

Specific Terms Applicable to:
Kasasa Saver®

Account Overview

Kasasa Saver® is a free, variable rate, deposit account with no minimum balance that rewards members with dividends when they meet the minimum qualifications associated with their linked Kasasa Cash or Kasasa Cash Back checking account during each Monthly Qualification Cycle.

Conditions of Account

You must have a Kasasa Cash or Kasasa Cash Back account in order to open a Kasasa Saver account, and the Kasasa Cash or Kasasa Cash Back account must remain open throughout the period that you hold the Kasasa Saver account. In the event that you or Lanco FCU closes or converts your Kasasa Cash or Kasasa Cash Back account, Lanco FCU reserves the right to close or convert your Kasasa Saver account.

Dividend Rate and APY

When you meet the monthly qualification requirements in your Kasasa Cash or Kasasa Cash Back account, your Kasasa Saver account receives the qualified dividend rate, according to the Rate Schedule. When Kasasa Cash or Kasasa Cash Back qualifications are not met, Kasasa Saver earns the base rate, according to the Rate Schedule.

Crediting of Kasasa Cash Rewards

Dividends and ATM fee reimbursements earned in your linked Kasasa Cash account will be posted to your Kasasa Cash account on the last day of the calendar month, and the sum of those deposits will be transferred to your Kasasa Saver account on the following day.

Crediting of Kasasa Cash Back Rewards

The rewards earned in your linked Kasasa Cash Back account will be posted to your Kasasa Saver account on the last day of the calendar month.

Specific Terms Applicable to: **Kasasa Cash® Accounts**

Account Overview

Kasasa Cash is a free, variable rate, checking account with no minimum balance that rewards members with dividends and nationwide ATM fee refunds when they meet minimum qualifications during the account's Monthly Qualification Cycles.

Rewards and Dividends

When Kasasa Cash qualifications are met during a Monthly Qualification Cycle, (1) account balances are paid a qualified dividend rate according to the Rate Schedule; and (2) you will receive reimbursements up to \$30.00 for nationwide ATM fees incurred during the Monthly Qualification Cycle in which you qualified. If you believe you have not been reimbursed the correct amount of ATM fees, you must contact us within 30 calendar days after the calendar month where the reimbursement was applicable in order to receive a refund.

When Kasasa Cash qualifications are not met, all balances earn the base rate according to the Rate Schedule, and ATM fees will not be refunded.

Dividends and ATM fee reimbursements will be posted to the account on the last calendar day of the month.

Specific Terms Applicable to: **Kasasa Cash® with Kasasa Saver®**

Rewards and Dividends

When Kasasa Cash qualifications are met during a Monthly Qualification Cycle: (1) balances in your Kasasa Cash account are paid a qualified dividend rate according to the Rate Schedule; (2) you will receive reimbursements up to \$30.00 for nationwide ATM fees incurred during the Monthly Qualification Cycle in which you qualified. If you believe you have not been reimbursed the correct amount of ATM fees, you must contact us within 30 calendar days after the calendar month where the reimbursement was applicable in order to receive a refund; and (3) balances in your Kasasa Saver are paid a qualified dividend rate according to the Rate Schedule.

When Kasasa Cash qualifications are not met, all balances in your Kasasa Cash and Kasasa Saver accounts earn the base rate according to the Rate Schedule, and ATM fees will not be refunded.

Dividends and ATM fee reimbursements earned in your Kasasa Cash account are deposited to your Kasasa Cash account on the last calendar day of the month, and the sum of those deposits will be transferred to your Kasasa Saver account on the following day. Dividends earned in your Kasasa Saver will be posted to Kasasa Saver on the last calendar day of the month.

Specific Terms Applicable to: **Kasasa Cash Back®**

Account Overview

Kasasa Cash Back® is a free, variable rewards, checking account with no minimum balance that rewards members with cash back on their debit card purchases and nationwide ATM fee refunds when they meet minimum qualifications during the account's Monthly Qualification Cycle.

Rewards

When Kasasa Cash Back qualifications are met during a Monthly Qualification Cycle, you will receive (1) 2.50% cash back on all debit card purchases that post and settle to the account during that cycle period, up to a total cash back amount of \$7.50 per Monthly Qualification Cycle, and (2) reimbursements up to \$30.00 for nationwide ATM fees incurred during the Monthly Qualification Cycle in which you qualified. If you believe you have not been reimbursed the correct amount of ATM fees, you must contact us within 30 calendar days after the calendar month where the reimbursement was applicable in order to receive a refund. Cash back payments and ATM refunds will be posted to the account on the last calendar day of the month.

When Kasasa Cash Back qualifications are not met, you will not receive cash back on debit card purchases, and ATM fees will not be refunded.

Specific Terms Applicable to: **Kasasa Cash Back® with Kasasa Saver®**

Rewards

When Kasasa Cash Back qualifications are met during a Monthly Qualification Cycle, (1) you will receive 2.50% cash back on all debit card purchases that post and settle to the account during that cycle period, up to a total cash back amount of \$7.50 per Monthly Qualification Cycle, (2) you will receive reimbursements up to \$30.00 for nationwide ATM fees incurred during the Monthly Qualification Cycle in which you qualified. If you believe you have not been reimbursed the correct amount of ATM fees, you must contact us within 30 calendar days after the calendar month where the reimbursement was applicable in order to receive a refund; and (3) balances in your Kasasa Saver are paid a qualified dividend rate according to the Rate Schedule. Cash back payments and ATM refunds will be posted to the Kasasa Saver account on the last calendar day of the month.

When Kasasa Cash Back qualifications are not met, you will not receive cash back on debit card purchases, ATM fees are not refunded, and all balances in your Kasasa Saver account will earn the base dividend rate according to the Rate Schedule.

Kasasa, Kasasa Cash, Kasasa Cash Back, and Kasasa Saver are trademarks of Kasasa, Ltd., registered in the U.S.A..

REGULATION D TRANSACTION LIMITS

What are the limits?

Federal Regulation D "Reg D" states that you may make no more than six (6) automatic or preauthorized transfers from your deposit accounts per month. Deposit accounts include share, club, money market, and additional savings accounts.

The monthly limit is based on when the transaction is processed, not when the check or item was originated or authorized. If you make a combination of checks/drafts and automatic or preauthorized withdrawals, the total monthly limit per account is still six (6).

The chart below summarizes the regulatory limits for transaction and non-transaction accounts. *Transactions exceeding the limits will not occur.*

Transaction Limits by Month	Checking Account	Deposit Accounts
DEPOSITS:		
In Person	UNLIMITED	UNLIMITED
By Transfer (Example: Direct Deposit or Social Security)	UNLIMITED	UNLIMITED
By Mail	UNLIMITED	UNLIMITED
TRANSFERS BETWEEN ACCOUNTS AT LANCO FCU:		
In Person (or by messenger)	UNLIMITED	UNLIMITED
At an ATM	UNLIMITED	UNLIMITED
By Mail	UNLIMITED	UNLIMITED
Pre-Authorized or Automatic Withdrawals (Including Overdraft Transfers)	UNLIMITED	SIX (6)
By Online or Mobile Banking	UNLIMITED	SIX (6)
By Automated Phone System (Gabby)	UNLIMITED	SIX (6)
By Phone Contact to a Telephone Representative	UNLIMITED	SIX (6)
Pre-Authorized Transfer to pay a Lanco FCU Loan	UNLIMITED	UNLIMITED
TRANSFERS TO THIRD PARTIES:		
By Check or Share Draft	UNLIMITED	N/A
By Phone Contact to a Telephone Representative	UNLIMITED	SIX (6)
By Pre-Authorized Transfer* (ACH) or Automatic Transfer	UNLIMITED	SIX (6)
By Lanco FCU Bill Payer	UNLIMITED	N/A
By Debit Card	UNLIMITED	N/A
By Fax	UNLIMITED	SIX (6)
WITHDRAWALS:		
At an ATM	UNLIMITED	UNLIMITED
In Person	UNLIMITED	UNLIMITED
By request via mail, fax, Gabby, or phone contact to a Telephone Representative resulting in a check made payable to the member and mailed to his/her address	UNLIMITED	UNLIMITED

*A "pre-authorized transfer" includes any arrangement by us to pay a third party from your account upon written or oral instruction (including an order received through an automated clearing house (ACH)) or any arrangement by us to pay a third party from your account at a predetermined time or on a fixed schedule.

REGULATION E

Electronic Funds Transfer Agreement and Disclosure

Electronic Funds Transfer (“EFT”) Agreement is the contract which covers your and our rights and responsibilities concerning the EFT services offered to you by Lanco Federal Credit Union.

In this agreement, the words “you” and “yours” mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words “Lanco FCU”, “credit union”, “we”, “us”, and “our” mean Lanco Federal Credit Union. The word “account” means any one or more savings and checking accounts you have with Lanco FCU. The word “card” means any debit card that you have with Lanco FCU. EFTs are electronically initiated transfers of money from your account through the EFT services described below.

By signing an application or account card for EFT services, signing your card, or using any EFT service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered.

1. EFT Services

If approved, you may conduct any one or more of the EFT services offered by the credit union.

a. Debit Card.

If approved, you may use your card and Personal Identification Number (PIN) in Automated Teller Machines (ATMs) of the credit union and other such machines or facilities as the credit union may designate. You agree that you will not use your card for any transaction that is illegal under applicable federal, state or local law. Funds to cover your card purchases will be deducted from your account. If you have opted in for Overdraft Privilege and you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the credit union. In the event of repeated overdrafts, Lanco FCU may terminate all services under this Agreement. At the present time, you may use your card to:

- Make deposits to your accounts
- Withdraw or transfer funds from your accounts
- Obtain balance information for your accounts
- Make Point-of-Sale (“POS”) transactions or order by mail, internet or phone to purchase goods or services from merchants that accept Visa

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

- Purchase and withdraw amounts are limited to the available balance in your account. Overdraft Privilege options may be available
- ATM withdrawals – maximum daily amount of \$500.00
- POS transactions – maximum daily amount of \$5,000.00
- Offline transactions – \$200.00 limit
- See Section 2 for transfer limitations that may apply

Deposits made at an ATM will be made available in accordance with our Funds Availability Policy.

b. Gabby.

If approved, you may use your account number and Gabby PIN to access your accounts using a touch tone telephone. At the present time, you may use Gabby to:

- Withdraw or transfer funds from your accounts
- Obtain balance information for your accounts

- Make loan payments from your accounts
- Determine if a particular item has cleared
- Access additional information or services, as offered

Gabby is available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. See Section 2 for transfer limitations that may apply. Lanco FCU reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below required the balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address on record. Lanco FCU may set other limits on the amount of any transaction and you will be notified of those limits.

c. Pre-authorized EFTs. (UCC Article 4a)

- **Direct Deposit.** Upon instruction of your employer, the Treasury Department, or other financial institutions, Lanco FCU will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your account.
- **Pre-authorized Debits.** Upon instruction, Lanco FCU will pay certain recurring transactions from your account. See Section 2 for transfer limitations that may apply to these transactions.

I. Provisional Payment Disclosure. Credit given by us to you with respect to an automated clearing house (ACH) entry is provisional until we receive final settlement for such entry through the Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund to the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

II. Notice of Disclosure. Under the operating rules of the National Automated Clearing House Association (NACHA), which are applicable to ACH transactions involving your account, we are not required to give next day notice to you when an ACH item has been received and we will not do so. However, we will continue to notify you of the receipt of payments in the periodic statements we provide to you.

III. Choice of Law Disclosure. On your behalf, we may accept payments to your account which have been transmitted through one or more ACH and which are not subject to the Electronic Funds Transfer Act. Your rights and obligations with respect to such payments shall be construed in accordance with the ACH Network and governed by the NACHA Operating Rules, a set of fair and equitable rules that guide risk management and create certainty for all participants.

d. Electronic Check Conversion/Electronic Returned Check Fees.

If you pay for something with a check, you may authorize it to be converted to an EFT. You may also authorize merchants to electronically debit your account for returned check fees. You are considered to have authorized these EFTs if you complete the transaction after being told (verbally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

e. Online Banking.

If approved, you can access your accounts via the internet with a logon ID and password. At the present time, you may use Online Banking to:

- Withdraw or transfer funds from your accounts
- Obtain balance information, view history, and inquire about cleared checks for your accounts
- Make loan payments from your accounts
- Enroll in additional online services, as offered

Online Banking is available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. See Section 2 for transfer limitations that may apply. Lanco FCU reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance or otherwise require us to increase our required reserve on the account. All checks requested from your account are payable to you as a primary member and will be mailed to your address on record. Lanco FCU may set other limits on the amount of any transaction, and you will be notified of those limits.

f. Bill Payer.

We will process Bill Payer transfer requests only to creditors that Lanco FCU has designated in the Bill Payer disclosure, such creditors as you authorize, and creditors for whom Lanco FCU has the proper vendor code number. We will not process any Bill Payer transfer if the required transaction information is incomplete. We will withdraw the designated funds from your checking account for Bill Payer transfer by the designated cut-off time on the date you schedule for payment, and we will process the transfer within a designated number of days before the date you are scheduled for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. We cannot guarantee the date or time that any payment will be credited to your account by the vendor. There is no limit on the number of bill payments per day.

2. Transfer Limitations (Regulation D)

Federal Regulation D ("Reg D") states that you may make no more than six (6) automatic or preauthorized transfers from your deposit accounts per month. Deposit accounts include share, club, money market, and additional savings accounts. The monthly limit is based on when the transaction is processed, not when the check or item was originated or authorized. If you make a combination of checks/drafts and automatic or preauthorized withdrawals, the total monthly limit per account is still six (6). For additional information, refer to Lanco FCU's Regulation D disclosure.

3. Conditions of EFT Services

a. Ownership of Cards.

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

b. Honoring the Card.

Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any

other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

c. Foreign Transactions.

Visa debit purchases and cash withdrawals made in foreign countries and foreign currencies will be debited from your account in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established by Visa International. Currently, the currency conversion rate used to determine the transaction amount in U.S. dollars is generally either a government-mandated rate or the wholesale rate in effect the day before the transaction processing date, increased by one percentage point. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date. To minimize exposure to fraudulent activity, at its discretion, Lanco FCU can impose restrictions on foreign transactions.

d. Security of Access Code.

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

e. Joint Accounts.

If any of your accounts accessed under this Agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this Agreement and, jointly and severally, shall be responsible for all EFT transactions to or from any savings and checking or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and hereby is authorized by every other joint account owner to, make any transaction permitted under this Agreement. Each joint account owner is authorized to act for the other account owners and Lanco FCU may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

4. Fees

There are certain fees for EFT services. From time to time, the fees may be changed. We will notify you of changes as required by applicable law. Refer to the Fee Schedule for current fee information.

a. ATM Fees.

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

b. ATM Fee Reimbursements.

When Kasasa Cash or Kasasa Cash Back qualifications are met during a Monthly Qualification Cycle, you will receive reimbursements of ATM fees as described in the Truth-in-Savings disclosure applicable to your account.

5. Member Liability

You are responsible for all EFT transactions you authorize. If you permit someone else to use an EFT service, your card, or your access code, you are responsible for any transactions that person authorizes or conducts on any of your accounts. If you believe your card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (717) 569-7180 during business hours or (800) 554-8969 at any time, or write to Lanco FCU, 349 West Roseville Road, Lancaster, PA 17601.

Tell us immediately if you believe your card has been lost or stolen, or if you believe someone has used your card or access code or otherwise accessed your accounts without your authority.

- If a transaction was made with your card or card number without your permission, and was a Visa transaction, you will have no liability for the transaction, unless you were grossly negligent in the handling of your account or card.
- For all other EFT transactions, including ATM transactions, or if you were grossly negligent in the handling of your account or card, your liability for an unauthorized transaction is determined as follows:
 - If you tell us within two business days, you are liable for no more than \$50.00.
 - If you do NOT tell us within two business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your card without your permission if you had told us, you are liable for no more than \$500.00.

Tell us immediately if your statement shows transfers that you did not make. If you do not tell us within 60 days after the statement was mailed, you may not be refunded any money lost after the 60 days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we may extend the time period.

6. Right to Receive Documentation

a. Periodic Statements.

Transactions you make through any ATM or POS terminal, Gabby, pre-authorized EFTs, Online Banking, Mobile Banking, or Bill Payer will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. You will receive a statement at least quarterly.

b. Terminal Receipt.

You will be offered a receipt at the time you make a transaction (except inquiries) involving your account using an ATM, POS terminal or debit card transaction with a participating merchant.

c. Direct Deposit.

If you have arranged to have a direct deposit made to your account at least once every 60 days from the same source, and you do not receive a receipt (such as a pay stub), you can find out if the deposit has been made by visiting Lanco FCU during business hours or by using Gabby, Online Banking, or Mobile Banking.

7. Account Information Disclosure

We will disclose information to third parties about your account or the transfers you make: (1) as necessary to complete transfers, (2) to verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant, (3) to comply with government agency or court orders, or (4) if you give us your written permission.

8. Business Days

Our business days are Monday through Friday, excluding holidays.

9. Credit Union Liability and Pre-authorized Payments

a. Credit Union Liability for Failure to Make Transfers.

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy, or if the transaction involves a loan request exceeding your credit limit.
- If you use your card or access code in an incorrect manner.
- If the ATM where you are making the transfer does not have enough cash.
- If the ATM is not working properly and you knew about the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- If the error is caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your willful or negligent use of your card, access code or any EFT facility for making such transfers.
- If the equipment you use to conduct a Gabby, Online Banking, or Mobile Banking transaction is not working properly and you knew about the problem when you started the transaction.
- If you use Bill Payer, we can only confirm the amount, the participating merchant, and date of the bill payment transfer made by Lanco FCU. For any other error or question you have involving the billing statement of the participating merchant, you must contact the merchant directly. We are not responsible for investigating such errors.
- Any other exceptions as established by Lanco FCU.

b. Pre-authorized Payments.

- 1. Stop Payment Rights.** If you have arranged in advance to make regular EFTs out of your account for money you owe others, you may stop payment of pre-authorized transfers from your account. You must notify us verbally or in writing at any time up to three business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within 14 days of any verbal notifi-

cation. If we do not receive the written confirmation, the verbal stop payment order shall cease to be binding 14 days after it has been made.

II. Notice of Varying Amounts. If these regular payments may vary in amount, the person you are going to pay is required to 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.

III. Liability for Failure to Stop Payment of Pre-authorized Transfers. If you order us to stop payment of a pre-authorized transfer three business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages (in the amount of the transaction).

10. Notices

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

11. Billing Errors

In case of errors or questions about EFTs from your accounts, call us at (717) 569-7180 or send a written notice to Lanco Federal Credit Union, 349 West Roseville Road, Lancaster, PA 17601 as soon as you can. We must hear from you no later than 60 days after we sent the first statement on which the problem appears.

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

If you tell us verbally, we may require that you send us your complaint or question in writing within 10 business days. If we do not receive it within 10 business days, we may not credit your account.

We will tell you the results of our investigation 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. We will tell you the results within three business days of completing our investigation.

If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

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

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

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

12. Termination of EFT Services

You may terminate this Agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping the use of your card and any access codes. You must return all cards to Lanco FCU. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you verbally or in writing. If we terminate this Agreement, we may notify any participating merchants making pre-authorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further pre-authorized transaction instructions. We may also program our system not to accept your card or access code for any EFT service. Whether you or the credit union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any EFTs made prior to termination.

13. Governing Law

This Agreement is governed by Lanco FCU's bylaws, federal laws and regulations, the laws and regulations of the state of Pennsylvania, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the Lancaster County, Pennsylvania.

14. Enforcement

You are liable to us for any loss, cost or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

OVERDRAFT COVERAGE OPTIONS

Overdraft Transfer and Overdraft Privilege

This disclosure describes the circumstances when Lanco FCU may pay overdrafts in your checking account and charge you a fee. "Overdraft" means that the available balance in your account is not enough to pay for a transaction.

Lanco FCU understands that from time to time, you may accidentally overdraw your checking account. That is why we have steps in place to protect you from being charged excessive fees and having overdraft items returned.

In the event that you overdraw your checking account, Lanco FCU will first attempt to use **Overdraft Transfer** to pay the overdraft item by transferring money from your designated savings account. Overdraft Transfer incurs a fee as disclosed in the Fee Schedule. If your designated account cannot cover the item because there are not enough available funds or it has reached its transaction limit, the item may be covered by Overdraft Privilege.

Overdraft Privilege allows you to overdraw your account up to a \$500.00 limit (prior to any associated fees) in order to pay a transaction. Overdraft Privilege incurs a fee as disclosed in the Fee Schedule. When an overdraft item is paid with Overdraft Privilege, you avoid the returned item fees that a merchant charges. Plus, your reputation will be unharmed as the merchant will never know that your account had non-sufficient funds.

Transactions Covered with Overdraft Privilege	Standard Coverage (No action required)	Expanded Coverage (Your consent required)*
Checks	✓	✓
ACH - Automatic Debits	✓	✓
Recurring Debit Card Payments	✓	✓
Online Bill Payer Items	✓	✓
Online & Mobile Banking Transfers	✓	✓
Telephone Banking Transfers	✓	✓
Teller Window Transactions	✓	✓
ATM Withdrawals and Transfers		✓
Everyday Debit Card Purchases		✓

*If you have any questions about Overdraft Privilege or wish to make changes to your coverage, including adding or removing Expanded Coverage for future transactions or removing Overdraft Privilege coverage in its entirety, contact Lanco FCU by calling (717) 569-7180, sending a secure message in Online Banking, or visiting a branch.

If you have already opted into Expanded Coverage, it is not necessary to request it again. Business accounts automatically have Expanded Coverage.

Important Information about Overdrafts and Overdraft Privilege (ODP)

1. Your checking account has two kinds of balances: the "actual" balance and the "available" balance. Both can be checked when you review your account online, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so you know how much money is in your account at any given time.

Your **actual balance** is the amount of money that is actually in your account at any given time. It reflects transactions that have posted to your account, but not transactions that have been authorized

and are pending. While the term "actual" may sound as though the number you see is an up-to-date display of what is in your account that you can spend, that is not always the case. Any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance.

Your **available balance** is the amount of money in your account that is available to you to use without incurring an overdraft fee.* The available balance takes into account things like holds placed on deposits and pending transactions (such as pending debit card purchases) that the Credit Union has authorized but that have not yet posted to your account.

The following example illustrates how a debit card transaction might affect your actual and available balances:

Assume your actual and available balances are both \$50. You use your debit card at a restaurant for \$20, the merchant asks us to pre-authorize the payment, and we put a hold on your account for \$20. At this point, your actual balance is still \$50 because the transaction has not yet posted, but your available balance is \$30 because you have committed to pay the restaurant \$20. When the restaurant submits its bill for payment (which could be a few days later), we will clear the hold and post the transaction to your account, reducing your actual balance by \$20. Now your actual and available balances are both \$30.

Available balance is used to determine when your account is overdrawn.* The following scenario illustrates one example of how an overdraft might occur:

Assume your actual and available balances are both \$50, and you swipe your debit card at a restaurant for \$20. A hold is placed on your account, so your available balance is only \$30. Your actual balance is still \$50. Before the restaurant charge is sent to us for processing, a check that you wrote for \$40 clears. Because you have only \$30 available (you have committed to pay the restaurant \$20), your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, we may pay the \$40 check, but you will be charged an overdraft fee. That fee will be deducted from your account, further reducing the balance.

In the example above, the outstanding check will not be reflected in your available balance until it is presented to us and paid from your account. In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains our 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 must 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.

***It is very important to 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 want to make.** This is because your available balance may not reflect all your outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account.

2. There are basically two types of transactions in your account: credits (deposits of money into your account) and debits (payments out

of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post certain types of transactions to your account. These practices may change and we reserve the right to pay items in any order we chose as permitted by law.

Credits. Most deposits are added to your account when we receive them. For some checks you deposit, only \$200 will be made available at the time of deposit; the balance will be available two (2) business days later. There may be extended holds on checks over \$5,000. Thus, your available balance may not reflect the most recent deposits to your account. For details on the availability for withdrawal of your deposits, see Lanco FCU's Funds Availability Policy.

Debits. There are several types of debit transactions. Each type of debit transaction is described generally below. Keep in mind that there are many ways transactions are presented for payment by merchants, and the Credit Union is not necessarily in control of when transactions are received.

- a. **Checks.** When you write a check, it is processed through the Federal Reserve System. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.
- b. **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House or ACH transactions. These include, for example, automatic bill pays you have signed up for. Each day, ACH transactions for your account are grouped together and paid in the following order: 1) credits 2) debits as presented.
- c. **Point of Sale (POS) Debit Card Transactions.** These are transactions where you use your debit card and you enter your PIN number at the time of the sale. They are similar to ATM withdrawals because money is usually deducted from your account immediately at the time of the transaction. However, some POS transactions are not presented for payment immediately; it depends on the merchant.
- d. **Signature Debit Card Transactions.** These are transactions where you make a purchase with your debit card and you do not enter your PIN but you are instead asked to sign for the purchase. As described above, in these situations, the merchant may seek prior authorization for the transaction. When that happens, we generally place a temporary hold against the available funds in your account. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorizations are deducted from your available balance but not your actual balance as they are received by us throughout each day. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. These payment requests are received in real time throughout the day and are posted to your account as they are received. **Please note:** The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if

you use your card at a restaurant, a hold will be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case where you swipe your debit card at gas stations and hotels and other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

- 3. Overdraft Transfer is a less expensive option than a transaction covered by Overdraft Privilege.
- 4. A single, larger overdraft will result in just one fee, as opposed to multiple, smaller overdrafts.
- 5. There is a maximum of five (5) overdraft fees per day Lanco Federal Credit Union will charge.[†]
- 6. Lanco Federal Credit Union will refund an overdraft fee upon request if an item overdraws the account by \$10.00 or less.[†]
- 7. Good account management is the best way to avoid overdrafts. Keep a check register and use Lanco Federal Credit Union's online, mobile, or telephone banking services to monitor your account activity and balances.
- 8. The Overdraft Privilege fee is the same fee amount that would be charged if a check was returned as unpaid. If multiple items would overdraw your account on the same day, each item would be assessed an appropriate Overdraft fee or Non-Sufficient Funds fee. All fees and charges will be included as part of the Overdraft Privilege limit amount. Your account may become overdrawn in excess of the Overdraft Privilege limit amount as a result of a fee.
- 9. Overdraft Privilege is not a line of credit; it is a discretionary overdraft service that can be withdrawn at any time without prior notice.
- 10. Lanco Federal Credit Union is obligated to pay certain unauthorized debit card transactions under payment system rules. However, Lanco FCU will not authorize debit card or ATM transactions unless there are available funds (including overdraft coverage options) to cover the transactions and any fee(s).
- 11. Giving Lanco Federal Credit Union your consent to pay everyday debit card and ATM overdrafts may result in you incurring overdraft fees for transactions that Lanco FCU would otherwise be required to pay without assessing an overdraft fee. However, your consent allows Lanco FCU to authorize transactions up to the amount of your Overdraft Privilege limit and can help you avoid overdrafts that could result in restriction or termination of your debit card.
- 12. Except as described in this disclosure, Lanco Federal Credit Union will not pay an item if your account does not contain available funds (including the Overdraft Privilege limit) to cover the item and the amount of any fee.
- 13. Lanco Federal Credit Union may restrict your debit card use if you incur overdrafts in excess of the available funds in your account, including any Overdraft Privilege limit.
- 14. Overdraft Privilege may be discontinued if you default on any loan or other obligation to us, your account becomes subject to any legal or administrative order or levy, or if you fail to maintain your account in good standing by not bringing your account to a positive balance within 30 days for a minimum of one business day.
- 15. Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all overdraft and fee amounts, as described in the Account Agreement. The total (negative) balance, including all fees and charges, is due and payable upon demand.

[†]Not applicable for business accounts.