



*Membership and Account  
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# Terms and Conditions for Member Accounts

Upon signing a completed membership application and receiving approval from KUE Federal Credit Union ("Credit Union"), one becomes a member of the credit union with all the rights and privileges therein. By signing a completed membership application and/or any other documents that grant access to account or services, the Credit Union is authorized to verify any information provided or that may be provided in future documentation to gain access to accounts and services, to check financial history, and to obtain consumer reports.

By selecting the accounts and services desired on the signed membership application, any or all of the various savings accounts, checking account, and any services designated by the account number will be opened. As the member, you agree to be bound by the following; current and future terms and conditions, the Schedule of Fees, our bylaws, amendments to the bylaws, and federal and state rules and regulations which govern the services the Credit Union offers.

## Membership

Eligibility to join the Credit Union is dependent upon the individual applying being qualified under the field of membership set forth by the Credit Union. To become a member and utilize any additional services provided by the Credit Union, a savings account must be opened and a minimum account balance of at least five dollars in the eligible individual's name must be maintained.

Membership may be maintained for life, provided the account is active and in accordance with the bylaws.

**Right of Offset:** If money is owed to the Credit Union and it becomes due, the Credit Union has the right to use the money from any account the member has with the Credit Union to pay the debt, including a checking account, but excluding IRAs.

**Legal Proceedings:** If a member's account becomes involved in any legal proceedings, use of the account may be restricted.

**Attorney Fees and Expenses:** If the Credit Union must hire an attorney for representation for any matter relating to a member's account, the account owner must agree to pay for all attorney fees and expenses the Credit Union may incur.

**Joint Accounts:** In the case of joint accounts, any or all owners of the account may make deposits or withdrawals. The Credit Union can act on the written instructions of any or all of the joint owners. The Credit Union will continue to follow these instructions until a written notice to change the instructions is received. Any money in a joint account can be paid to any or all

of the owners of the account, whether the other owners are alive or not. Both parties must agree that it is the intention to create a joint tenancy with the right of survivorship (a form of ownership) for the account and if one or more of the joint owners die, his or her dividends in the account are passed to the remaining owner(s). Once a joint account is opened, one owner cannot remove another from the title of the account without a written agreement.

**Endorsements:** Law allows the Credit Union to supply a missing endorsement to a deposited check, draft or any other instrument. However, the Credit Union reserves the right to refuse or accept any deposit item which does not bear a proper endorsement, is payable to someone other than you, or under any other circumstances in the Credit Union's discretion.

**Minor Accounts:** If an account is opened as a custodian for a minor beneficiary (person under 18 years old), the rights and duties are governed by state law.

**Income Tax:** The Credit Union must report dividends on a member's account to the appropriate government agencies. It is the account holder's responsibility to give the Credit Union the correct Social Security number and to provide certain written certifications to the Credit Union as required by law. If a member fails to provide the Credit Union with the correct Social Security number and/or the required certifications, the Credit Union may withhold a percentage of the dividend earned on the account, in order to pay the government agency as required by law. The account holder may also be subject to government penalties.

**Disclaimer of Liability:** The Credit Union is not responsible for, or subject to, any liabilities to its members, other than those imposed upon it by the Uniform Commercial Code, for its own lack of good faith or failure to exercise ordinary care. The obligation to exercise ordinary care, in the handling of items for deposit and/or withdrawal shall be measured by the standard of procedures reasonably established for the transactions involved. A mere clerical error, inadvertent, an oversight without malice, or an honest mistake of judgment shall not be or constitute a failure to perform such obligations or failure to exercise ordinary care and in no case shall be deemed wrongful.

# Electronic Funds Transfer Rules and Regulations

The following governs any electronic fund transfer (“Transaction”) made by the account owner or any persons authorized by the account owner in connection with the account held at KUE Federal Credit Union (“Credit Union”), whether initiated by an Automated Teller Machine (“ATM”), debit card (“Card”), a preauthorized transaction (transfers authorized on a recurring basis at regular intervals), audio response, Online Account Access over the internet, or by other means of access provided now or made available in the future to perform Transactions on the account held at the Credit Union.

**AGREEMENTS:** Transactions may only be performed while the account has sufficient funds to complete the Transaction requested. Wrongfully obtaining funds from the Credit Union, either by use of a Card or personal identification number (“PIN”), is a federal criminal offense, punishable by a fine, imprisonment or both. All terms and conditions of any written agreements that have been previously made with the Credit Union regarding the use of the Card and PIN, and any Credit Union accounts under the member’s ownership, apply to all Transactions; unless any terms or conditions in those agreements conflict with the rules and regulations set forth in this disclosure, in which case this disclosure will be enforced. All Transactions, whether deposits, withdrawals, or transfers made with the Card or PIN are subject to verification by the Credit Union. Any Card or other instruments issued by the Credit Union shall supersede the present instruments.

**PROPERTY RIGHTS:** The Card and the PIN are property of the Credit Union and the right to use these in connection with the member’s Credit Union account may be terminated at any time, without notice. Surrender of a Card or cessation of use of PIN will be required whenever the Credit Union asks. As a member, you will not allow any other person possession or use of the Card or PIN. It is the responsibility of the member to prevent disclosure and unauthorized use of the Card and PIN. If the member allows any person to use the Card or PIN, the member will be held liable for any use by that person, unless the account holder notifies us that the individual is no longer authorized, by the account holder, to make transactions on the account. The Credit Union, as soon as possible after notification, will block further Transactions on the account.

**CHANGES:** The Credit Union reserves the right to change or add to these rules and regulations at any time, upon giving members reasonable notice, at least 30 days prior to the effective date of change. Such a notice may consist of enclosing a notice on or in the statement of the account or mailing a notice in a special mailing.

Notice to any joint account holder of the Card or PIN is notice to all account holders. In the event, the Credit Union determines that an immediate change is necessary to maintain or restore the security of the electronic fund transfer services or to any account, then the Credit Union may make the necessary changes without advising the account holder in advance. The Credit Union can delay enforcing any of the rights against the member without losing them.

## **ELECTRONIC FUNDS TRANSFER DISCLOSURE MEMBER OBLIGATIONS:**

It is imperative that a PIN is kept confidential and separate from the Card to prevent someone from using it to make Transactions without permission. Contact the Credit Union immediately if it is believed that the Card or PIN has been lost or stolen. Telephoning the Credit Union is the best way of keeping possible losses down. Contact the Credit Union immediately if the statement of accounts shows transfers that were not authorized. One could lose all the money in the account, plus the maximum overdraft line-of-credit, if any, depending on when you contact the Credit Union. If unauthorized transactions are reported to the Credit Union within two business days after the member learns of the loss or theft, the member can lose no more than \$50. If the Credit Union is contacted more than two business days after the member has learned of the loss or theft of the Card or PIN but less than 60 calendar days, the member could lose as much as \$500. If the Credit Union is not contacted within 60 calendar days after the statement was mailed, the member may not recover any of the losses. If circumstances deemed acceptable by the Credit Union, such as a long trip or hospital stay, kept the member from informing the Credit Union, the time periods may be extended.

**NOTIFICATION OF LOSS:** If it is believed a Card or PIN has been lost or stolen, or if someone has transferred or may transfer money from an account without permission, call: **(859) 367-1230, or 1-800 246-9112; or after business hours call 1-800-472-3272; or write: KUE Federal Credit Union, One Quality Street, Lexington, KY 40507.**

**Business Days:** Business days are Monday-Friday, excluding Credit Union holidays.

**Account Access:** Indicated below are the types of Transactions the Credit Union is capable of handling, some of which may not apply to all accounts. The information disclosed upon receipt of a Card or PIN will control available access to the member. These Transactions may be made through an ATM or Point of Sale (POS) terminal, audio response, Online Account Access, or through any other terminal or device

provided now or in the future that is initiated by use of the Card, PIN, or both, including:

- Withdraw cash from a Share Draft or Savings account.
- Make deposits to a Share Draft or Savings accounts at locations designated to receive deposits.
- Transfer funds between Share Draft and Savings accounts, whenever requested.
- Pay for purchases or services that accept the Card or PIN.
- Inquire about the current balance in the member's Share Draft or Savings accounts; however, this balance may differ from the member's records, as some withdrawals, share drafts, or deposits may not yet be posted to the account.
- Use information from a Share Draft account to make a one-time ACH or POS withdrawal from one's account.

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

**LIMITATIONS:** Unlimited transfers, up to the amount of available funds in the account, and deposits through an ATM, POS, Online Account Access or telephone, can be made during any one business calendar day. However, withdrawals can only be made for a combined cash total per day per Card, as disclosed at the time of approval. During any interruption of the Electronic Services System ("off-line"), the dollar amount and frequency of Transactions may be reduced. All Transactions made with the Card or PIN will be subject to the rules and regulations, bylaws, and operating procedures of the Credit Union.

**PRE-AUTHORIZED CREDITS:** A member may make arrangements for certain direct deposits to be accepted into a Share Draft or Savings account. If direct deposits are made into an account at least once every 60 days from any company, individual, or the government, the Credit Union may be contacted to find out whether or not the deposit has been made.

**FEES:** Certain fees may be imposed for use of a Card or PIN, as disclosed at the time of approval and on the Rate and Schedule of Fees. If more information is needed concerning fees for an account, or to request a Fee Schedule: **call (859) 367-1230 or 1-800 246-9112; or write KUE Federal Credit Union, One Quality Street, Lexington, KY 40507.** The Credit Union does not charge for direct deposits, preauthorized payments, or transfers to any type of account. When an ATM that is not operated by the Credit Union or an

affiliated partner is used, a fee may be charged by that ATM operated or by an automated transfer network used to complete a transfer or balance inquiry.

**THIRD PARTY DISCLOSURE:** The Credit Union will disclose information to third parties about an account or transfer as follows:

- Where it is necessary for completing transfers.
- To verify the existence and condition of an account for a third party, such as a credit bureau or merchant.
- To comply with a government agency or court orders.
- If written permission is given from the member.

**ACKNOWLEDGEMENTS:** One may receive a receipt as an acknowledgement for each Transaction made to or from an account at any device provided by the Credit Union now or in the future.

**PERIODIC STATEMENTS:** Members will receive a statement every month regarding their Share Draft account, unless no transfers have been made within that particular month. In any case, members will receive a statement at least quarterly for a Savings Account.

**PRE-AUTHORIZED PAYMENTS:** If a written agreement is in place with the Credit Union or any company authorized to initiate such an agreement, then the Credit Union will debit the member's account as requested with the following conditions.

**Right to Stop Payment:** If arrangements have been made with the Credit Union in advance to make regular payments out of an account, those can be stopped by calling **(859) 367-1230 or 1-800 246-9112 or writing: KUE Federal Credit Union, One Quality Street, Lexington, KY 40507.**

Contact the Credit Union with a stop payment request within three business days or more before the payment is scheduled to be made. If contacting by phone, the Credit Union may require the request also be made in writing and given to the Credit Union within 14 days after initial phone contact. There may be a fee associated with the stop payment, see Fee Schedule for details.

**Notice of Varying Amount:** If the regular payments may vary in amount, the person or company may inform the member, within ten days before each payment, when the payment needs to be made and for what amount. The member may choose to get this notice only when the payment would differ by more than a certain amount from

the previous payment or when the amount falls outside certain limits that are set.

**Liability for Failure to Stop Payment:** If a request to stop a payment is made to the Credit Union three business days or more before the transfer is scheduled, and the Credit Union does not do so, the Credit Union will be liable for the member's losses or damages. This liability will be limited to the dollar amount of the transfer plus any fees and charges which may result from the transfer.

**Our Obligations:** If the Credit Union does not complete a transfer to or from a member's account on time or in the correct amount, according to the agreement between the member and the Credit Union, the Credit Union will be liable for your losses or damages; however, there are exceptions. The Credit Union will NOT BE LIABLE if:

- Through no fault of the Credit Union, the member does not have enough money in their account to make the transfer.
- When applicable, by prior agreement, the transfer would go over the limit on the member's overdraft line.
- The equipment that the member is using does not have enough cash to complete the transaction.
- The terminal or system was not working properly, and the member knew about the breakdown when the transfer was started.
- Circumstances beyond the Credit Union's control (such as fire or flood) prevents the transfer, despite reasonable precautions that the Credit Union has taken.
- The machine malfunctions or ceases to operate during a transaction.
- The member makes a mistake while using the ATM, POS, or any other terminal device provided now or in the future.
- The Credit Union corrects the error before the error causes the member any damage.

The Credit Union is prohibited by law from paying out any funds in the member's account that have been attached, garnished, or levied against.

There may be further exceptions stated in agreements made with a member, which may be changed at any time without notice to the member.

#### **ERROR RESOLUTION NOTICE**

Call or write the Credit Union as soon as possible if there are any questions about any Transactions. If it is believed that the statement or receipt is wrong or more information is needed about a transfer listed on a statement or receipt, notify the Credit Union as soon as possible. During business hours call: **(859) 367-1230 or 1-800 246-9112 or write: KUE Federal Credit Union, One Quality Street, Lexington, KY 40507.** The Credit Union must be contacted no later than 60 days after the FIRST statement is sent on which the problem or error appeared. When calling about a problem or error on a statement, please have the following information ready: name and account number, description of the error or transfer that is in question, a clear explanation as to why the error or transfer is believed to be a mistake, why more information is needed, and the dollar amount of the transfer or error in question.

If an oral request is made, the Credit Union may require a written complaint be sent in within ten business days. The Credit Union will determine whether an error occurred within ten business days (20 business days, if the transfer involved a new account) after initial contact from the member and will correct any error promptly; however, if the Credit Union needs more time, up to 45 days (90 days if the transfer involved a new account, POS Transaction, or foreign-initiated transfer) may be taken to investigate the complaint or question. If the Credit Union decides to take the extended time, a credit will be applied to the account in question within ten business days (20 business days if the transfer involved a new account) for the amount of the error in question, so the member has access to the funds during the time it takes the Credit Union to complete its investigation. If the Credit Union asks for the complaint or question in writing and does not receive it within ten business days, the account may not be credited.

The Credit Union will inform the member of the results within three business days after completing its investigation. If the Credit Union decides that no error occurred, a written explanation will be sent to the owner of the account. Copies of the documents used in the investigation can be requested.

## Funds Availability Disclosure

This policy statement applies to Share Draft accounts. These are considered transaction accounts, which permit an unlimited number of payments to third parties and unlimited number of telephone and preauthorized transfers to other accounts a member holds with the Credit Union. Contact the Credit Union if more information is needed regarding whether an account might fall under this policy.

The Credit Union's policy is to make funds from an account available on the first business day after the deposit is received. Electronic direct deposits will be available on the day the Credit Union received the deposit. Once the funds are made available, withdrawals can be made. The Credit Union will use the available funds to pay any checks that have been written on the account; however, even after the funds have been made available and the funds are withdrawn, the member is still responsible for checks that were deposited that may be returned to the Credit Union unpaid and for any other problems involving the deposit.

For determining the availability of deposits; Monday-Friday are business days, excluding federal holidays. If a deposit is made before 5:00 P.M. EST on a business day that the Credit Union is open, that will be considered the day of deposit; however, if a deposit is made after 5:00 P.M. EST or on a day that the Credit Union is not open, the following business day will be considered the day the deposit was made.

### **Longer Delays May Apply**

In some cases, the Credit Union will not make all the funds, which were deposited by check, available on the first business day after the day of deposit. Depending on the type of check that is deposited, funds may not be available until the fifth business day after the day of deposit. However, the first \$225 of the deposit will be available on the first business day. If all the funds will not be available on the first business day, the Credit Union will notify the member at the time of deposit. The Credit Union will also inform the member when the funds are expected to be released. If the deposit is not made directly to a Credit Union employee (such as through the night depository or by mail) or if the Credit Union decides to take this action after the member has left the premises, a notice will be sent by mail the day after the deposit is received. If the funds are needed immediately, please inquire about when the funds will be available at the time of the deposit.

In addition, funds that are deposited by a check may be delayed for a longer period under the following conditions:

- It is believed a check that is deposited will not be paid.
- Checks for deposit total more than \$5,525 on any one day.
- A check that has been deposited returns unpaid.
- The account the deposit has been made to, has been overdrawn repeatedly in the last six months.
- There is an emergency, such as a failure of communications or computer equipment.

The Credit Union will notify the member if there will be a delay in the ability to withdraw funds for any of these reasons and when the funds will be available. The funds will typically be available no later than the eleventh business day after the deposit is made.

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

For a new member, the following special rules will apply during the first 30 days the account is open. Funds from electronic direct deposits to the account will be available on the first business day after the deposit is received. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits from checks including; cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the deposit is made if the deposit meets certain conditions; for example, the checks must be payable to the member (a special deposit slip may be required). The excess over \$5,525 will be available on the ninth business day after the day of the deposit. If a deposit of these checks (other than US Treasury check) is not made in person to a Credit Union employee, the first \$5,525 will not be available until the second business day after the day of the deposit. Funds from all other check deposits will be available on the tenth business day after the day of the deposit.

### **Deposits at Automated Teller Machines**

Funds from any deposits (cash or checks) made at ATMs may not be available until the fifth business day after the day of the deposit.

### **Dividend Payment Policy**

The dividend policy is set forth in the Truth-In-Savings Rate and Fee Schedule.

## Wire Transfer Disclosure

According to the Bylaws of the Credit Union, Article 4A of the Kentucky Uniform Commercial Code (“UCC”), and Subpart B of Regulation J by the Board of Governors of the Federal Reserve (“Reg. J”), the following disclosure governs the movement of funds by means of wire transfers, automated clearing house (“ACH”) credits and some book transfers on the Credit Union records.

This disclosure sets forth the duties, responsibilities, and liabilities of all parties involved in a funds transfer.

Using the Credit Union to send or receive fund transfers shall constitute your acceptance of these terms. In the event that the terms of this disclosure are in conflict with any other disclosure previously presented concerning a membership and accounts, the terms set forth in this disclosure shall control.

This disclosure applies to funds transfers as defined in Article 4A of the UCC and Subpart B of Reg. J. The Credit Union may establish or change cut-off times for the receipt and processing, funds transfer requests, amendments, or cancellations. Unless other times are posted for various types of funds transfers, the cut-off time will be at 4:30 P.M. on each day the Credit Union is open and which is not declared a federal holiday by the Federal Reserve Board. Payment orders, cancellations, or amendments are received as of the next business day, following the funds transfer, and are processed accordingly.

The Credit Union may charge the account for any funds transfer initiated by any person with authorized access to the account from which the fund transfer is to be made. The Credit Union may occasionally establish security procedures to verify the authenticity of a payment order. The member will be notified of the security procedure, if any, to be used to verify payment orders issued by the member or for which their account will be liable. The member agrees that the authenticity of payment orders may be verified using that security procedure unless the Credit Union has, in writing, that the member does not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from any authorized parties on the account until a written agreement with the Credit Union is reached, regarding an alternate security procedure.

If sending or receiving a wire transfer, Fedwire may be used. Regulation J is the law covering all Fedwire transactions, setting forth the rights and liabilities in a wire transfer involving Fedwire.

If the Credit Union is given a payment order which identifies the beneficiary (recipient of the funds) by name and identifying account number, the member is

responsible to the Credit Union if the fund transfer is completed on the basis of the identification or account number that is provided. This is true if the beneficiary’s financial institution credits the transaction based only on the identifying or account number, even if the name of the account is a person different than the named beneficiary. If the Credit Union is given a payment which identifies an intermediary or beneficiary’s financial institution by name and identifying number, a receiving financial institution may rely on the number as the proper identification, even if it identifies a different person than who is named by the financial institution. Therefore, the member is responsible for any loss or expenses incurred by a receiving financial institution which executes or attempts to execute the payment order in reliance on the identifying number that is provided. The Credit Union may give the member credit for ACH payments before it receives final settlement of the transfer funds. Any such credit is provisional until the Credit Union receives the final settlement of payment. As the member, you are hereby notified and agree, if the Credit Union does not receive such final settlement, it is entitled to a refund from the account credited, in the amount credited in connection with the ACH entry. Therefore, the member is responsible for funds advanced prior to the final settlement and if the funds are not actually received by the Credit Union, the member must repay any funds that were advanced to them.

ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the member will receive notice of receipt of ACH items in the periodic statements of the account.

If the Credit Union received a funds transfer for anyone authorized to have access to the account, the member agrees that the Credit Union will provide the member with a notification of the receipt of all funds transfers, including such items in the periodic statements of the account which the Credit Union provides. A member may inquire, between receipts of periodic statements, whether a specific funds transfer has been received.

If the Credit Union becomes obligated under Article 4A to pay interest to a member, the member agrees that the rate of interest to be paid shall be equal to the declared and calculated rate applicable to the amount in which the fund transfer should have been made to or from which the funds transfer was made. By participating in any such transaction named here in itself you accept these rules, policies and procedures, and any other policy or procedure set forth at the time of the transaction.



# Truth-in-Savings Disclosure

**Declaration of Dividends:** For all dividend bearing accounts, the rate will be determined and declared monthly by the Board of Directors.

**Determination of Rate:** The dividend rate and Annual Percentage Yield (“APY”) may change monthly as determined by the Board of Directors.

**Compounding and Crediting:** For all dividend bearing accounts, dividends will be credited monthly. All Share Certificate and IRA rates will be set by the CEO.

**Effect of Closing an Account:** If you close your account before dividends are credited, accrued dividends will not be received.

**Minimum Balance Requirements:** The minimum balance of \$5 is required to open a regular Savings Account. The minimum balance required to earn dividends is \$5 for Savings, Christmas and Vacation accounts. If during the dividend period, the account balances fall below the required minimum daily balance, dividends for that day will not be earned.

**Balance Computation Methods:** Dividends are calculated by the Average Daily Balance Method. Dividends are calculated under this method by applying a daily periodic rate to the balance in the account each day of the period. The daily periodic rate is calculated by dividing the dividend rate by 365.

**Accrual of Dividends:** Dividends begin to accrue on the business day after a deposit is made, either by cash or non-cash (i.e. checks) items, into any dividend bearing account.

**Inactive Account Fees:** An account will be considered inactive if there has been no member initiated activities for a period of six months and periodic statements have been returned as undeliverable by the post office. An inactive account fee will be assessed to your account. Per state regulations, an account which meets the criteria for abandoned property will be escheated to the state.

**Pledged Shares:** No member may withdraw shareholdings that are pledged as required security on loans without the written approval of a loan officer or manager, except to the extent that such shares exceed the member’s total primary and contingent liability to the Credit Union.

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

**Fees and Charges:** The fees and charges that may be charged on an account are itemized in the “Schedule of Fees” available at the Credit Union office and on the Credit Union’s website, [www.kuefcu.com](http://www.kuefcu.com). These fees may reduce the earnings on an account. The amount of each fee will be charged to the account when incurred,

unless the amount is paid separately. The Credit Union may charge another account of the member’s for a fee incurred if the account in which the fee was assessed has been closed or if it has an insufficient balance to pay the charge.

**Share Insurance:** Your savings are federally insured up to \$250,000 and backed by the full faith and credit of the United States Government.

## SHARE DRAFT TERMS AND CONDITIONS

**1. Periodic Statements:** Each month, the Credit Union will send a statement of account that includes the share draft account along with other accounts, deposits, or loans a member may have with the Credit Union.

**2. Stopping a Draft:** If a member does not want the Credit Union to pay a draft that has been written, the member can request a stop payment. The Credit Union can be notified in person or by phone to initiate the stop payment. The stop payment takes effect immediately, and the written order will be effective for six months. If the stop order is by phone, the member must confirm it, in writing, within 14 days. The stop order must include the account number, the number and date of the draft, the name of the payee, and the amount. The Credit Union cannot be responsible for stop orders with incorrect information. The Credit Union may charge the member’s account a stop payment order fee. The Credit Union will accept a stop payment order from any owner of a joint account, regardless of who signed the draft. For your protection, the Credit Union may also place an electronic stop payment.

**3. Chargebacks:** If the Credit Union cashes a draft for a member or accepts it for deposit into an account and it is returned unpaid, the Credit Union will charge the member’s account for the unpaid draft. The unpaid draft will be mailed to the address on file for the account. A returned item fee may be imposed for this type of activity.

**4. Non-Use of the Account:** An account shall be considered inactive during a period, as defined by the Credit Union, in which no deposits occur. An account which has been inactive according to current state regulations will be escheated to the state as abandoned property. The Credit Union reserves the right at the start of the inactive period to charge a fee for the cost of inactivity.

**5. Automated Teller Machine/Debit Card:** If, at any time, a member decides to apply for and receives an automated teller machine (ATM) or debit card, the member is bound by the agreement and disclosures statement provided when the member applied.

**6. Printed Draft Purchases:** The Credit Union reserves the right to require that all purchases of printed



drafts be done by the Credit Union's selected share draft printer. If one purchases drafts elsewhere and they are incorrect, the Credit Union accepts no liability for the error.

**7. Overdrafts and Nonsufficient Funds:** If a draft is written for an amount more than what is available in the member's account, the account will be overdrawn and the Credit Union will return the draft unpaid (nonsufficient funds/NSF); however the Credit Union reserves the right not to return the draft, based upon the relationship the member has with the Credit Union, the number of times the account has been overdrawn, the amount of the draft or drafts overdrawn, frequency of overdrawn accounts, etc. The Credit Union will assess an NSF fee for each draft returned or overdrawn (see Schedule of Fees). If a member's account is frequently overdrawn, the Credit Union reserves the right to close the account. If the Credit Union closes the account, a notice and draft for the balance of funds in the account will be mailed to the address on file.

**8. E-Statements:** A member may elect to receive statements by email. If statements are sent via email, printed statements will no longer be mailed.

#### **SHARE CERTIFICATE ACCOUNTS**

**Rate Information:** Dividends will be compounded and credited monthly on the anniversary date of the purchase of the share certificate.

**Minimum Balance Requirements:** A minimum deposit of \$1,000 is required to open a certificate. Members must maintain \$5 in a regular share account in order to be eligible for a certificate account.

**Balance Computation Method:** The average daily balance method is used to calculate the dividend on the

account. This method applies a daily periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day and dividing that figure by the number of days in the period. Dividends will be paid from the date the account is opened to the maturity date. If the certificate account is closed before dividends are credited, accrued dividends will not be received and will be subject to a penalty.

**Dividend Period:** The dividend period on this account is monthly, beginning on the date the account is opened and ending on the one month anniversary of that date. All other dividend periods follow the same pattern of dates until maturity.

**Deposit Limitation:** After the account is opened, deposits cannot be made until the maturity date.

**Early Withdrawal Penalty:** Any withdrawal made after one year is subject to a penalty of 90 days' dividend on the amount withdrawn, whether earned or not. Any withdrawal made less the one year is subject to a penalty of 30 days' dividend on the amount withdrawn, whether earned or not.

**Automatic Renewal:** This account will automatically renew at maturity for the amount then on deposit, for the same term and at the Credit Union's then prevailing interest rate for such term.

**Additional Terms and Disclosures:** A member has ten days after the maturity date to withdraw funds without a penalty or to reinvest in a new certificate with a different rate and term.

# Privacy Policy

At KUE Federal Credit Union, we do everything we can to protect the privacy of our members. We believe it is important to inform our members of the data protection and privacy practices that we have instituted. KUE Federal Credit Union has:

1. Established specific security protection practices to ensure privacy of information.
2. Defined control methods to limit access to consumer information.
3. Formalized procedures and processes to ensure the maintenance of account information.
4. Established procedures and restrictions on disclosure of member account information.
5. Defined standards for consumer data collection, use, and methods of storage.
6. Required consumer data privacy covenants in third-party service and business arrangements,
7. Ensured staff is committed to protecting a consumer's right to data privacy.
8. Disclosed to our members our privacy policy.

To ensure that we successfully accomplish these priority practices as an organization, we have:

- Established formal guidelines for management and staff to ensure that the protection of consumer data and staff awareness of data privacy are top priorities.
- Developed and provided to potential and existing members a detailed notice about our data protection and privacy policy and practices annually.
- Established guidelines that dictate conditions under which we can disclose nonpublic personal information about consumers to nonaffiliated parties and communicated those guidelines via this notice.

The privacy notice serves as a reference guide for members, credit union staff, and management regarding the protection of member data and your privacy.

## Accuracy of Information

Every effort is made to ensure that our records of your information are complete and correct. If an error is noted on your statement or in any other communication from us, please contact the number listed on your account materials, as soon as possible.

## The Collection and Use of Information

The Credit Union needs to collect information about you to conduct our business relationship. However, in order to protect your information, we maintain and enforce strict security procedures.

We collect nonpublic personal information about you from the following sources:

- Information received from applications or other forms.
- Information about transactions with us, our affiliates, or others.
- Information received from a consumer reporting agency.

We collect only the information necessary to deliver quality products and services to our members. Only authorized and trained employees have access to member information. We also are continually assessing new technology, as it becomes available, in order to continue to best protect your privacy.

We do not disclose any nonpublic personal information about you to nonaffiliated third parties, except as permitted by law.

We may disclose the following information to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements:

- Information received on applications or other forms, such as your name, address, and social security number.
- Information about transactions with us, our affiliates, or others, such as your account balance, credit card usage and payment history.
- Information we received from a consumer reporting agency, such as creditworthiness and credit history.

## Sharing of Information within the Credit Union

We restrict access to your personal and account information to those employees who need to know the information in order to provide products and services to you.

Under certain circumstances, member information may be revealed to other departments within our credit union in order to market additional products and to ensure we are considering your entire relationship with us when making decisions about your products (e.g. offering new loan products). We might also share information with these departments in order to provide services necessary to maintain your accounts (such as data processing). The types of information include; information about your identity, information about your transaction history with the Credit Union, information about you current financial condition (such as details about your income and assets), and information obtained from a credit report or other sources outside of the Credit Union.

If you decide to terminate your membership or become an inactive member, we will continue to adhere to the privacy policies and practices as described in this notice.

#### **Confidentiality of Member Information in Other Circumstances**

When we share information with affiliated third parties, we hold all such parties to the same or higher standards as we do ourselves with respect to privacy of your information. As an added safeguard, we also require them to allow us to audit them for compliance in this regard.

#### **Our Website**

When you visit our website, [www.kuefcu.com](http://www.kuefcu.com), we want you to feel secure that we are respecting your privacy. The only private information we have about you is the information you choose to give us (such as providing feedback or completing a form). We do not release that information to others without notifying you on the form and getting your consent.

We may use “cookies” on some pages of our website for the purpose of serving you better when you return to that site. A “cookie” is a small element of data that a website can send to your browser, which may be stored on your system. Data collected from “cookies” helps determine how many people visit certain pages, ultimately enabling us to improve our site design and content. If you prefer, your web browser can be set to provide you a notice before you accept a “cookie”.

#### **Online Access**

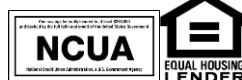
Each member that has requested Online Services with our Credit Union has been provided an authorized access code, password, personal identification number, and assigned communication telephone number. We use these combined security controls and special communication lines to not only protect our online users, but also limit the risk of unauthorized data access or security problems. If someone wants to use this service, he or she must submit an application (listed on our website) and be notified of approved authorized security codes.

#### **How to Contact Us**

If you would like additional information or have questions regarding KUE Federal Credit Union’s Privacy Policy, please call (859) 367-1230 or 1-(800) 246-9112. You can also write us or stop by our office and discuss your questions with our staff at: One Quality Street, Lexington, KY 40507.



www.kuefcu.com  
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Lexington, Kentucky 40507  
859.367.1230  
FAX 859.367.1230



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