



*Membership And Account  
Information And Disclosures*

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## Terms And Conditions For Member Accounts

By signing a membership application and receiving approval from KUE Federal Credit Union you have become a member of the Credit Union with all rights and privileges therein. By signing the membership application or any other documents to give you access to accounts or services, you have authorized the Credit Union to verify any information provided and to verify any information provided by you on future documentation to gain access to accounts and services, to check your financial history and to obtain consumer reports about you.

By signing and selecting the accounts and services you desire on the membership application, or any other account agreements, you have opened the various savings, checking and services designated by the account number and you have agreed to be bound by these terms and conditions, the Schedule Of Fees, our by-laws, amendments to the bylaws, and federal and state rules and regulations which govern the services offered by us and bound by current and future terms and conditions.

### Membership

You are eligible to join the Credit Union provided you are an individual qualifying under the field of membership of the Credit Union. To become a member and utilize additional services, you must open and maintain a savings account in your name. You also must maintain a minimum balance of at least \$5 in your savings account. You may retain your membership for life, providing your membership is active and in accordance with the bylaws.

**Right Of Offset.** If you owe us money and it is due, we can use the money from any account you have with us to pay the debt, including checking and excluding IRAs.

**Legal Proceedings.** If your account becomes involved in legal proceedings, your use of it may be restricted.

**Attorney Fees And Expenses.** If we need to hire an attorney to represent us in any matter relating to your account, you agree to pay for all attorney's fees and expenses incurred by us.

**Joint Accounts.** If this is a joint account, any or all of the joint owners can make deposits or withdrawals. We can act on the written instructions of any one or more of the joint owners. We will continue to follow these instructions until we receive written notice to change them. You agree that any money in this account can be paid to any one or more of the joint owners, whether or not the other owners are alive at the time of the payment. You agree

that it is your intention to create a joint tenancy with the right of survivorship (a form of ownership) in this account and that if one or more of the joint owners die, his or her dividends in the account passes to the remaining owners. Once a joint account is opened, one owner cannot remove another from the title of the account without written agreement.

**Endorsements.** The law allows us to supply a missing endorsement to a deposited check, draft, or other instrument. However, we reserve the right to refuse to accept for deposit any item which does not bear a proper endorsement, which is payable to someone other than you or under any other circumstances in our sole discretion. If a government, insurance, or other check or draft requires an endorsement set forth on the back of the check or draft, we may require endorsement as set forth on the item. Federal law specifies locations on drafts and checks for your and our respective endorsements.

**Minors Accounts.** If you open an account as custodian for a minor beneficiary (less than 18 years old), your rights and duties are governed by state law.

**Income Tax.** We must report dividends on your account to the appropriate government agencies. It is your responsibility to give us your correct social security number and to make certain written certifications to us as required by law. If you fail to give us your number or the required certifications, we may withhold and pay to the government a percentage of the dividend earned on your accounts, as required by law. You 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 its own failure to exercise ordinary care. The obligation to exercise ordinary care in the handling of items of deposit and of withdrawal shall be measured by the standard of the reasonableness of procedures established for the transactions involved, and mere clerical error, inadvertence, or oversight without malice, or an honest mistake of judgment shall not be or constitute, as to any transaction, a failure to perform such obligations or a 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 you, or anyone authorized by you, in connection with your accounts at KUE Federal Credit Union ("Credit Union"), whether initiated by an Automated Teller Machine ("ATM") or debit card ("Card"), by pre-authorized transaction (transfers authorized on a recurring basis at regular intervals), by audio response, via Online Account Access over the Internet, or by other means of access provided now or in the future. We will issue you a Personal Identification Number ("PIN") (that you may change to a PIN of your choice) which must be used together with the Card to access the regional network of ATMs, or the national network of ATMs, our own ATMs, or Point-of-Sale Terminals ("POS"). Another PIN (that you may change to a PIN of your choice) will also be necessary to access such services as audio response, Online Account Access, and other electronic systems made available now or in the future to perform Transactions on your Credit Union accounts.

**AGREEMENTS.** Transactions may only be performed while

your accounts have sufficient balances to complete the Transaction requested. Wrongfully obtaining funds from the Credit Union by use of a Card or PIN constitutes a federal criminal offense, punishable by fine or imprisonment, or both. All terms and conditions of any written agreements that have been previously made between you and the Credit Union regarding the use of the Card and PIN and any of your Credit Union accounts 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 the rules and regulations of this disclosure shall control. All Transactions, whether deposits, withdrawals, or transfers, made with the Card or PIN are subject to verification by us. Any card or other instrument issued by us shall supersede the present instruments.

**PROPERTY RIGHTS.** The Card and the PIN are property of the Credit Union and your right to use these in connection with your Credit Union accounts may be terminated at any time without notice. You will surrender your Card or cease to use your PIN

whenever we ask for them. You will not allow any other person possession or use of the Card or PIN. It is your responsibility to prevent disclosure and unauthorized use of your Card and your PIN. If you allow any person to use your Card or your PIN, then you will be held liable for any of their use by that person, unless you notify us that the individual is no longer authorized by you to make Transactions on your accounts. We will, as soon as possible after notification, block further Transactions on your account.

**CHANGES.** We reserve the right to change or add to these rules and regulations at any time, upon giving you reasonable notice at least 30 days prior to the effective date of the change. Such 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 of you. In the event we determine that an immediate change is necessary to maintain or restore the security of the electronic fund transfer services or to any account, then we may make the necessary change without advising you in advance. We can delay enforcing any of our rights against you without losing them.

### **ELECTRONIC FUNDS TRANSFER DISCLOSURE**

**YOUR OBLIGATIONS.** It is very important to keep your PIN confidential and separate from your Card to prevent someone from using it to make Transactions without your permission. Tell us AT ONCE if you believe your Card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account, plus your maximum overdraft line-of-credit, if any. If you believe your Card or PIN has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your Card or PIN without your permission. If you do NOT tell us within 2 business days after you learn of the loss or theft of your Card or PIN, and we can prove that we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as \$500. Tell us AT ONCE, if your statement shows transfers that you did not make. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized Transactions using your lost or stolen VISA Debit Card. This additional limit on liability does not apply to ATM Transactions or to Transactions using your PIN which are not processed by STAR®.

**NOTIFICATION OF LOSS.** If you believe your Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your 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 St., Lexington, KY 40507.**

**BUSINESS DAYS.** Our business days are Monday through Friday. Credit Union holidays are not included.

**ACCOUNT ACCESS.** Indicated below are types of Transactions we are capable of handling, some of which may not apply to your account. The information disclosed to you upon receipt of your Card or PIN will control as to access available to you. These Transactions may be at an ATM or POS, through the audio response or Online Account Access, or any other terminal or device provided now or in the future that is initiated by use of your Card or PIN or both, including:

- Withdraw cash from your Share Draft or Savings Account.
- Make deposits to your Share Draft or Savings Accounts at

locations so designated to receive deposits.

- Transfer funds between your Share Draft and Savings Accounts whenever you request.
- Pay for purchases or services at places that have agreed to accept the Card or PIN.
- Balance inquiries for a current amount in your Share Draft or Savings Accounts. This figure may not agree with your records, as some withdrawals, share drafts, or deposits may not yet be posted to your account.
- Use information from a share draft to make a one-time ACH or POS withdrawal from your account.
- Some of these services may not be available at all terminals.

**LIMITATIONS.** You may make unlimited transfers up to the amount of funds in your Savings and Share Draft Accounts through the ATM, POS, Online Account Access or telephone during any one-business calendar day. You also may make unlimited deposits. However, you may only make withdrawals for combined cash total per day per Card as disclosed to you at the time of approval. During any interruption of the electronic services system ("off-line" situation), the dollar amount and frequency of Transactions may be reduced. All Transactions made with the Card or a PIN will be subject to the rules, regulations, bylaws or operating procedures of this Credit Union.

**PRE-AUTHORIZED CREDITS.** You may make arrangements for certain direct deposits to be accepted into your Share Draft or Savings Accounts.

**FEES.** Certain fees may be imposed for use of your Card or your PIN as disclosed to you at the time of approval and on the Rate and Schedule Of Fees you received. If you need information concerning fees for your Accounts, please request a Fee Schedule by calling **(859) 367-1230 or 1-800 246-9112; or write: KUE Federal Credit Union, One Quality St., Lexington, KY 40507.** We do not charge for direct deposits, preauthorized payments, or transfers to any type of account.

When you use an ATM that is not operated by us or by an Alliance One participant, you may be charged a fee by the ATM operator of the machine or by an automated transfer network used to complete the transfer and you may also be charged a fee for a balance inquiry.

**THIRD PARTY DISCLOSURE.** We will disclose information to third parties about your account or transfers you made as follows:

- Where it is necessary for completing transfers.
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant.
- In order to comply with a government agency or court orders.
- If you give us your written permission.

**ACKNOWLEDGMENTS.** You will receive certain documentation. Terminal Transfers. You may receive a receipt as an acknowledgment for each Transaction made to or from your account at any device provided by us now or in the future.

**PRE-AUTHORIZED CREDITS.** If you have arranged to have direct deposits made to your account at least once every 60 days from any company, individual, or the government, you may call us at **(859) 367-1230 or 1-800 246-9112** to find out whether or not the deposit has been made.

**PERIODIC STATEMENTS.** You will receive a monthly statement of your Share Draft Account unless there are no transfers in a particular month. In any case you will get the statement at least quarterly. You will receive a monthly statement on your Savings Account unless there are no electronic funds transfer monetary Transactions in a particular month. In which case you will receive a quarterly or annual statement on your Savings Account.

**PRE-AUTHORIZED PAYMENTS.** If you have a written agreement with us or any company so authorized to initiate such agreement on your account, then we will debit your account as

you ordered with the following conditions.

**RIGHT TO STOP PAYMENT.** If you told us in advance to make regular payments out of your account you can stop these payments. Here's how:

Call us in care of the Member Services Supervisor at **(859) 367-1230 or 1-800 246-9112 or write: KUE Federal Credit Union, One Quality St., Lexington, KY 40507**, in time for us to receive your request 3 business days or more before the payment's scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. There may be a fee associated with the stop payment, see the Fee Schedule for details.

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

**Liability for Failure to Stop Payment.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your 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 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 will be liable for your losses or damages. However, there are some exceptions. We will NOT BE LIABLE, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If, when applicable by prior agreement, the transfer would go over the limit on your overdraft line.
- If the equipment that you are using does not have enough cash to complete the transaction.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If the machine malfunctions or ceases to operate during a transaction.
- If you make a mistake using the ATM, Point-of-Sale, or any other terminal device provided now or in the future.
- If we correct the error before the error causes you any actual

damage.

- If funds in your account have been attached, garnished, levied against or we are prohibited by law from paying on your account.
- There may be further exceptions stated in agreements with you, which may be changed from time to time without notice to you.

#### **ERROR RESOLUTION NOTICE**

In case of questions or errors about your Transactions, call or write us as soon as you can. If you think your statement or receipt is wrong or if you need more information about a transfer listed on your statement or receipt, notify us as soon as you can during business hours:

Call: **(859) 367-1230 or 1-800 246-9112 or write: KUE Federal Credit Union, One Quality St., Lexington, KY 40507.**

We must hear from you no later than 60 days after we first sent the FIRST statement on which the problem or error appeared.

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

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

We will determine whether an error occurred within 10 business days (5 business days for Debit VISA POS Transactions and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, POS Transaction, or foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for Debit VISA POS Transactions and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

We will tell you the results within three business days after 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.

## **Funds Availability Disclosure**

### **Your Ability To Withdraw Funds At KUE Federal Credit Union**

This policy statement applies to Share Draft Accounts. These are our transaction accounts, which permit an unlimited number of payments to third parties and unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your deposit available to you on the first (1st) business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available

to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before 5:00 P.M. E.S.T. 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 5:00 P.M. E.S.T. or on a day we are not open, we may consider that the deposit was made on the next business day we are open, including deposits made in Night Depositories located on the premises of the Credit Union Offices.



### **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 (1st) 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 (5th) business day after the day of your deposit. However, the first \$100 of your deposits will be available on the first (1st) business day.

If we are not going to make all of the funds from your deposit available on the first (1st) business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees (such as through the night depository, or by mail), or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds would be available.

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

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

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the

eleventh (11th) business day after the day of your deposit.

### **Special Rules For New Accounts**

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the first (1st) business day we receive the deposit. Funds from the 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 on the first (1st) business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth (9th) business day after the day of your deposit. If your deposit of these checks (other than US Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second (2nd) business day after the day of your deposit.

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

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

Funds from any deposits (cash or checks) made at ATMs may not be available until the fifth (5th) business day after the day of your 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 clearinghouse ("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 funds transfers shall constitute your acceptance of these terms.

To the extent that the terms of this disclosure are in conflict with any other disclosure previously presented to you concerning the terms and conditions of your membership and your 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 3:00 p.m. on each day the office is open and which is not a declared federal holiday by the Federal Reserve Board. Payment orders, cancellations, or amendments are received as of the next following funds transfer business day and are processed accordingly.

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

The Credit Union may establish, from time to time, security procedures to verify the authenticity of payment order. You will be notified of the security procedure, if any, to be used to verify

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

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

If you give the Credit Union a payment order which identifies the beneficiary ("recipient of the funds") by name and identifying or account number, you are responsible to the Credit Union if the funds transfer is completed on the basis of the identification or account number you 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 on the account is a person different than the named beneficiary.

If you give the Credit Union 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 named by the financial institution. Therefore, you are 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 you provided.

The Credit Union may give you credit for ACH payments before it receives final settlement of the transfer funds. Any such credit is provisional until the Credit Union receives final

settlement of the payment. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. Therefore, you are responsible for funds advanced to you prior to final settlement, and may, if the funds are not actually received by the Credit Union, must repay any funds advanced on your behalf.

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

If the Credit Union received a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union will provide you with notification

of the receipt of all funds transfer by including such items in the periodic statements of your accounts which we provide. You may inquire between receipts of your periodic statements whether or not a specific funds transfer has been received.

If the Credit Union becomes obligated under Article 4A to pay interest to you, you agree that the rate of interest to be paid shall be equal to the declared and calculated rate applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

By participating in any such transaction named herein, is in itself your acceptance of these rules, policies, and procedures and any other policy or procedure set forth to you 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 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, you will not receive accrued dividends.

**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, Vacation. If during the dividend period, your account balances fall below the required minimum daily balance, you will not earn dividends for that day.

**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 you deposit either cash or non-cash (for example, checks) items to any dividend bearing account.

**Inactive Account Fees:** An account will be considered inactive if there have 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 of \$10 per month will be assessed to your account.

**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 our web site. These fees may reduce the earnings on your account. The amount of each fee will be charged to your account when incurred, unless you pay the amount separately. We may charge another account of yours for a fee incurred if the account on 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 to at least

\$250,000 and backed by the full faith and credit of the U.S. Government.

### Share Draft Terms And Conditions

**1. Periodic Statements.** Each month, we will send you a statement of account. Your share draft account statement is combined with other accounts, deposits, or loans you have with us.

**2. Stopping A Draft.** If you do not want us to pay a draft you have written, you can order us to stop payment. You can notify us in person or by phone. Your stop order takes effect immediately. You will receive a confirmation. Your written order will be effective for 6 months. If your stop order is by phone, you must confirm it in writing within 14 days. Your stop order must include your account number, the number and date of your draft, the name of the payee and the amount. We cannot be responsible for stop orders with incorrect information. We may charge your account a stop payment order fee. If this is a joint account, we will accept a stop payment order from any owner regardless of who signed the draft. For your protection, we may also place an electronic stop payment.

**3. Chargebacks.** If we cash a draft for you or accept it for deposit to your account and it is returned to us unpaid, we will charge your account for the unpaid draft. The unpaid draft will be mailed to you at the address shown on our records. A returned item fee may be imposed for this type of activity.

**4. If You Do Not Use Your Account.** An account shall be considered inactive during any period defined by the credit union, available upon request, in which there shall occur no deposit. 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 Card.** If you decide to apply for and receive an automated teller machine (ATM) card, you are bound by the agreement and disclosures statement provided when you apply for your card.

**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 you purchase drafts elsewhere and they are incorrect, the Credit Union accepts no liability for the error.

**7. Overdrafts And Nonsufficient Funds.** If you write a draft for more money than you have in your account, you will be overdrawn and we will return the draft unpaid (nonsufficient funds/NSF), however the Credit Union reserves the right not to return the draft based upon the relationship you have with the

Credit Union, the number of times you have been overdrawn, the amount of the draft or drafts overdrawn, frequency of overdrawn accounts, etc. We assess an NSF fee for each draft returned or overdrawn (see Schedule Of Fees). If you frequently overdraw your account, we reserve the right to close it. When we do, we will mail a notice and draft for the balance of money in the account to the address shown on our records.

**8. E-Statements.** You may elect to receive your statement by email. If we email you a statement, we will no longer mail a printed statement.

### Share Certificate Accounts

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

**Minimum Balance Requirements:** A minimum deposit of \$1000 is required to open a certificate. You 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 your 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 you open the account to date of maturity. If you close your certificate account before dividends are credited you will not receive accrued dividends 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 this same pattern of dates until maturity.

**Deposit Limitation:** After the account is opened, you may not make deposits to the account until the date of maturity.

**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 than 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 and for the same term and at the Credit Union's then prevailing interest rate for such term.

**Additional Terms And Disclosures:** You will have ten days after the maturity date to withdraw funds without a penalty, or 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 members. We believe it is important to inform you of the data protection and privacy practices that we have instituted. We have:

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 accurate 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 our staff is committed to protect 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 your 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 us at

the number listed on your account materials as soon as possible.

### The Collection and Use of Information

We need 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 we received from you on applications or other forms
  - Information about your transactions with us, our affiliates, or others
  - Information we receive 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 we receive from you on applications or other forms, such as your name, address, and social security number
- Information about your transactions with us, our affiliates, or others, such as your account balance, credit card usage, and payment history
- Information we receive from a consumer reporting agency, such as your 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 that information 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 you 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 your 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 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 Web Site**

When you visit our Web site at [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 Web site for the purpose of serving you better when you return to that site. A cookie is a small element of data that a Web site can send to your browser, which may then be stored on your system. Data collected from cookies helps us 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 to unauthorized data access or security problems. If someone wants to use this service, he or she must submit an application (listed at our Web site) and be notified of approved authorization and security codes.

**How to Contact Us**

If you would like additional information, or have questions regarding KUE FCUs Privacy Policy, please call us at (859) 367-1230 or (800) 246-9112 (You may also write us, or stop by one of our offices and discuss your questions with one of our staff. )



[www.kuefcu.com](http://www.kuefcu.com)

**One Quality Street  
Lexington, Kentucky 40507**

**859.367.1230**

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