



HAWAII STATE

FEDERAL CREDIT UNION

CONSUMER DISCLOSURES & AGREEMENTS

IMPORTANT NOTICE – The documents contained in this packet are your permanent copies of Hawaii State FCU’s disclosures and agreements. Please read and keep them for your records. The table of contents below is provided for easy reference.

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CONSUMER MEMBERSHIP AND ACCOUNT AGREEMENT

This Agreement covers your rights and responsibilities concerning your accounts and the rights and responsibilities of the Credit Union providing this Agreement (Credit Union). In this Agreement, the words “you,” “your,” and “yours” mean anyone who signs an Account Card, Account Change Card, or any other account opening document (Account Card), or for whom membership and/or service requests are approved through the Credit Union’s online application and authentication process. The words “we,” “us,” and “our” mean the Credit Union. The word “account” means any one (1) or more share or other accounts you have with the Credit Union.

Your account ownership features are designated by you on your Account Card or through the Credit Union’s online application and authentication process. By signing an Account Card or authenticating your request, each of you, jointly and severally, agree to the terms and conditions in this Agreement, and any Account Card, Funds Availability Policy Disclosure, Truth-in-Savings Disclosure, Electronic Fund Transfers Agreement and Disclosure, Privacy Disclosure, or Account Receipt accompanying this Agreement, the Credit Union’s bylaws and policies, and any amendments to these documents from time to time that collectively govern your membership and accounts.

1. MEMBERSHIP ELIGIBILITY - To join the Credit Union, you must meet the membership requirements, including purchase and maintenance of the minimum required share(s) (“membership share”) as set forth in the Credit Union’s bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts and services you request.

2. INDIVIDUAL ACCOUNTS - An individual account is an account owned by one (1) member (individual or trust) qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner’s estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner’s agent prior to notice of an owner’s death, and to any security interest or pledge granted by the account owner, and subject to our statutory lien rights.

3. JOINT ACCOUNTS - A joint account is an account owned by two (2) or more persons.

a. Rights of Survivorship. Unless otherwise stated on the Account Card or documented through the Credit Union’s online application and authentication process, a joint account includes rights of survivorship. This means that when one (1) owner dies, all sums in the account will pass to the surviving owner(s). For a joint account without rights of survivorship, the deceased owner’s interest passes to his or her estate. A surviving owner’s interest is subject to the Credit Union’s statutory lien for the deceased owner’s obligations and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

b. Control of Joint Accounts. Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature or authenticated request of any other owner(s). Any owner may withdraw or transfer funds, pledge to us all or any part of the shares, or stop payment on items without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners in order to act.

c. Joint Account Owner Liability. If an item deposited in a joint account is returned unpaid, a joint account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of the indebted owner, including all funds in the joint account, regardless of who contributed the funds.

4. POD/TRUST ACCOUNT DESIGNATIONS - A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that an individual or joint account so designated is payable to the owner(s) during his, her, or their lifetimes and, when the last account owner dies, is payable to all surviving POD or trust beneficiaries/payees. Funds in accounts payable to more than one (1) surviving beneficiary/payee are owned jointly by such beneficiaries/payees with rights of survivorship among the beneficiaries/payees. Any POD or trust beneficiary/payee designation shall not apply to Individual

Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee’s interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or held in the name of a trust.

5. ACCOUNTS FOR MINORS - We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority unless the change is authorized in writing by all account owners.

6. HAWAII UNIFORM TRANSFERS TO MINORS ACCOUNT - A Hawaii Uniform Transfers to Minors Act (HUTMA) Account is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party authorized to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

7. POWER OF ATTORNEY - A power of attorney is a legal written instruction to us that the member account owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or credit union voting rights. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law. We have no duty to inquire about the use or purpose of any transaction made by the agent.

8. DEPOSIT OF FUNDS REQUIREMENTS - Funds may be deposited to any account, in any manner approved by the Credit Union in accordance with the requirements set forth in the Truth-in-Savings Disclosure. Deposits made by mail, at night depositories, or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.

a. Endorsements. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one (1) or more account owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check, draft, or item that is payable to two (2) or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check or draft within 1 1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

b. Collection of Items. We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.

c. Restrictive Legends. Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include “two signatures required,” “void after 60 days,” and “not valid over \$500.00.” We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restrictions or limitations.

d. Final Payment. All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.

e. Direct Deposits. We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by filling out a separate form. You must notify us at least 30 days in advance to cancel or change a direct deposit or transfer option. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

f. Crediting of Deposits. Deposits made after the deposit cutoff time and deposits made on holidays or days other than our business days will be credited to your account on the next business day.

9. ACCOUNT ACCESS -

a. Authorized Signature. Your signature on the Account Card, or authentication and approval of your account, authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check or draft that appears to bear your facsimile signature, even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account information, even if you do not authorize a particular transaction.

b. Access Options. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine, in person, by mail, Internet access, automatic transfer, or telephone, as applicable). We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a check or draft.

c. Credit Union Examination. We may disregard information on any check or draft other than the signature of the drawer, the amount, and any magnetic encoding. You agree that we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

10. FUND TRANSFERS - Except as amended by this Agreement, electronic fund transfers we permit that are subject to Article 4A of the Uniform Commercial Code will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located. We may execute certain requests for an electronic fund transfer by Fedwire. Fedwire transactions are subject to Federal Reserve Board Regulation J. You may order an electronic fund transfer to or from your account. We will debit your account for the amount of the electronic fund transfer and will charge your account for any fees related to the transfer. Unless we agree otherwise in writing, we reserve the right to refuse to execute any order to transfer funds to or from your account. We are not obligated to execute any order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available funds in your account. We are not liable for errors, delays, interruptions, or transmission failures caused by third parties or circumstances beyond our control, including mechanical, electronic, or equipment failure. We will not provide you with next day notice of ACH transfers, wire transfers, and other electronic payments credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received. If we fail to properly execute a payment order, and such action results in a delay in payment to you, we will pay you dividends or interest for the period of delay as required by applicable law. The dividends or interest paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period. Payment orders we accept will be executed within a reasonable time of receipt but may not necessarily be executed on the date they are received. Cutoff times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. If a request for a fund transfer, payment order, cancellation, or amendment is received after a cutoff time, it may be treated as having been received on the next fund transfer business day. Information about any cutoff times is available upon request. From time to time, we may need to suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law, and this action may affect settlement or availability of the transaction. When you initiate a wire transfer, you may identify the recipient and any financial institution by name and by account or identifying number. The Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or identifying number, even if the number identifies a different person or financial institution. Any account owner may amend or cancel a payment order, even if that person did not initiate the order. We may

refuse any request to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request that we accept to amend or cancel a payment order will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order. We may require you to follow a security procedure to execute a payment order or certain electronic fund transfer transactions. We will notify you of any such security procedures. Unless we permit you to establish a different security procedure, you agree that the security procedures contained in the Credit Union's policies, of which we have notified you, are commercially reasonable verification of payment orders and other electronic fund transfers. If we permit you to establish a different security procedure, you agree that procedure is a commercially reasonable method of verifying electronic funds transfers. If we conduct a remittance transfer(s) on your behalf acting as a remittance transfer provider, such transactions will be governed by 12 C.F.R. part 1005, subpart B-Requirements for remittance transfers. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

11. ACCOUNT RATES AND FEES - We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure and Fee Schedule. We may change the Truth-in-Savings Disclosure or Fee Schedule at any time and will notify you as required by law. If the credit union incurs any expenses, including but not limited to, administrative cost and reasonable attorney's fees, because of any action by you or a third party concerning your account. The credit union may charge such expenses to your account without prior notice to you. You will be responsible for any deficit.

12. TRANSACTION LIMITATIONS-

a. Withdrawal Restrictions. We will pay checks or drafts, permit withdrawals, and make transfers from available funds in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals, and make transfers from your account from insufficient available funds if you have established an overdraft protection plan or, if you do not have such a plan with us, according to our overdraft payment policy.

We may refuse to allow a withdrawal in some situations and will advise you accordingly if, for example (1) there is a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; or (5) you fail to repay a credit union loan on time. We may require you to give written notice of seven (7) days to 60 days before any intended withdrawals.

b. Transfer Limitations. We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Fund Transfers Agreement and Disclosure.

13. CERTIFICATE ACCOUNTS - Any time deposit, term share, share certificate, or certificate of deposit account allowed by state law (certificate account), whichever we offer, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure, and the Account Receipt for each account, the terms of which are incorporated herein by reference.

14. OVERDRAFTS -

a. Payment of Overdrafts. If, on any day, the available funds in your share or deposit account are not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee, that is posted to your account, we may return the item or pay it, as described below. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have sufficient available funds in order to pay an item. Your account may be subject to a charge for each item regardless of whether we pay or return the item.

If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from other another account of yours to cover an insufficient item, including transfers from a share or deposit account,

an overdraft line-of-credit account, or other account you so designate. Services and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Fee Schedule.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us, or if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

b. Overdraft Protection Plan. If we have approved an overdraft protection plan for your share draft account, we will honor share drafts drawn on insufficient funds by transferring funds from another account under this agreement or a loan account, as you have directed, or as required under the credit unions overdraft policy. Funds will be transferred in multiples of \$100 to cover the amount of the overdraft. Funds transferred from your Regular Share Account or Investment Share Account are subject to the transaction limitations described in this agreement. Should the available balance be less than \$100, we will transfer all available funds only if they are sufficient to cover the overdraft. If funds are transferred from your Regular Share Account, we may take your account balance below the minimum balance requirement as described in the Truth-in-Savings Disclosure. The fee for overdraft transfers, if any, is set forth in the Fee Schedule. This agreement governs all transfers, except those governed by agreements for loan accounts.

c. Order of Payments. Checks, drafts, transactions, and other items may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft, or item, and execute other transactions on your account in any order we choose. The order in which we process checks, drafts, or items, and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

15. POSTDATED AND STALEDATED CHECKS AND DRAFTS - You agree not to issue any check or draft that is payable on a future date (postdated). If you do issue a check or draft that is postdated. You agree that we shall have no liability to you for such payment. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six (6) months past its date.

16. STOP PAYMENT ORDERS -

a. Stop Payment Order Request. Any owner may request a stop payment order on any check or draft drawn on the owner's account. To be binding, the order must be in writing, dated and signed, and must accurately describe the check or draft, including the exact account number, the check or draft number, and the exact amount of the check or draft. This exact information is necessary for the Credit Union's computer to identify the check or draft. If we receive incorrect or incomplete information, we will not be responsible for failing to stop payment on the check or draft. In addition, we must receive sufficient advance notice of the stop payment order to allow us a reasonable opportunity for us to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action.

b. Duration of Order. Oral stop payment orders for check or drafts lapse within 14 calendar days unless confirmed in writing within that time. Written stop payment orders for checks or drafts are effective for six (6) months and may be renewed for additional six (6) month periods by requesting in writing that the stop payment order be renewed within a period during which the stop payment order is effective. We are not required to notify you when a stop payment order expires.

c. Liability. Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure or Fee Schedule. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages, or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

17. CREDIT UNION LIABILITY - If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or nonactions are consistent with applicable state law, Federal Reserve regulations and operating letters, clearinghouse rules, and general financial institution practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

18. CHECKS OR DRAFTS PRESENTED FOR PAYMENT IN PERSON - We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any applicable check or draft cashing fees are stated in the Fee Schedule.

19. REMOTELY CREATED CHECKS OR DRAFTS - For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks or drafts may be drawn. A remotely created check or draft is a check or draft created by someone other than the person on whose account the check or draft is drawn. A remotely created check or draft is generally created by a third party payee as authorized by the owner of the account on which the check or draft is drawn. Authorization is usually made over the telephone or through on-line communication. The owner of the account does not sign a remotely created check or draft. In place of the owner's signature, the remotely created check or draft usually bears a statement that the owner authorized the check or draft or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check or draft against your account, you may not later revoke or change your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check or draft for which the third party has proof of your authorization.

20. PLEDGE/STATUTORY LIEN - Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in all accounts you have with us now and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in your pledged account(s) may be withdrawn unless you are in default. Federal or state law, depending upon whether we have a federal or state charter, gives us a lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us now and in the future. Except as limited by federal or state law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default. After you are in default, we may exercise our statutory lien rights without further notice to you.

Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by federal or state law. If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under federal or state law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

21. LEGAL PROCESS - If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved, as permitted by law. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

22. ACCOUNT INFORMATION - Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; or (4) you give us written permission.

23. NOTICES -

a. Name or Address Changes. You are responsible for notifying us of any name or address change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may require all name and address changes to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Fee Schedule.

b. Notice of Amendments. Except as prohibited by applicable law, we may change the terms of this Agreement at any time. We will notify you of any change in terms, rates, or fees as required by law. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

c. Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. mail, postage prepaid, and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners.

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

24. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING - Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN, we may suspend opening your account.

25. STATEMENTS -

a. Contents. If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one (1) statement is necessary for joint accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or by payable-through financial institutions and made available upon your request. You understand and agree that statements are made available to you on the date they are sent to you. You also understand and agree that checks, drafts, or copies thereof are made available to you on the date the statement is sent to you, even if the checks or drafts do not accompany the statement.

b. Examination. You are responsible for promptly examining each statement upon receiving it and reporting any irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within 33 days of the date we sent the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine.

c. Notice to Credit Union. You agree that the Credit Union's retention of checks or drafts does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes, and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within 14 days of the time you regularly receive a statement.

26. INACTIVE ACCOUNTS - If you have not made any transactions on your account over a period of one (1) year, during which time we have been unable to contact you by regular mail at your last known address, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a service fee, as set forth in the Fee Schedule, for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable and to suspend payment of dividends and any further account statements. Your account will be presumed abandoned after five (5) consecutive years unless you:

1. Make a deposit or withdrawal on the account; or
2. Communicate with us in writing concerning the account and indicate an interest in the account.

Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds, and if you choose to reclaim such funds, you must apply to the appropriate state agency.

27. SPECIAL ACCOUNT INSTRUCTIONS - You may request that we facilitate certain trust, will, or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will, or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. We may require that account changes requested by you, or any account owner, such as adding or closing an account or service, be evidenced by a signed Account Change Card or other document which evidences a change to an account and accepted by us.

28. TERMINATION OF ACCOUNT - We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, draft, withdrawal, transaction, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

29. TERMINATION OF MEMBERSHIP - You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all your accounts. You may be denied services for causing a loss to the Credit Union, or you may be expelled for any reason as allowed by applicable law.

30. DEATH OF ACCOUNT OWNER/MEMBER - We may continue to honor all transfer orders, withdrawals, deposits, and other transactions on an account until we know of a member's death. Once we know of a member's death, we may pay checks or drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks, drafts, or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

31. SEVERABILITY - If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

32. ENFORCEMENT - You are liable to us for any losses, costs, or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, 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 postjudgment collection actions.

33. GOVERNING LAW - This Agreement is governed by the Credit Union's bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state in which the Credit Union's main office is located, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located.

34. NEGATIVE INFORMATION NOTICE - We may report information about your loan, share, or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.

35. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES - You agree that you are not engaged in unlawful Internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful Internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful Internet gambling or other illegal activities.



**ARBITRATION AGREEMENT
(ADDENDUM TO THE MEMBERSHIP AND
ACCOUNT AGREEMENT)**

You and the Credit Union agree that any and all disputes arising out of, affecting, or relating to your accounts, or the products or services the Credit Union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereafter referred to as the "Claims") that are threatened, made, filed or initiated after the Effective Date (defined below) of these Arbitration and Waiver of Class Action provisions (collectively, "Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be obtained on the AAA website free of charge at www.adr.org; or, a copy of the Rules can be obtained at any Credit Union branch upon request.

Neither party shall be entitled to demand the arbitration of an action filed in small claims court (or an equivalent court in the state in which the member resides), for any claim or dispute within the scope of the small claims court's jurisdiction. But if a claim is brought, transferred, removed or appealed to a different court, such claim shall be subject to arbitration pursuant to this Arbitration Agreement. This Arbitration Agreement shall be interpreted and enforced in accordance with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue.

The Claims shall be resolved by a single arbitrator appointed by the AAA. The arbitrator shall be an attorney or retired judge with experience and knowledge regarding financial institutions and transactions.

We will advance and/or pay, as applicable, the fees and costs of the arbitration pursuant to this Agreement (i) if applicable law requires us to, (ii) if you prevail in the arbitration, or (iii) if we must advance such fees and costs in order for this arbitration provision to be enforced, subject to the arbitrator's award, if any, of arbitration fees and costs to the prevailing party. In each case, each party will pay for its own attorney fees and costs, if any, for prosecuting and defending claims, except that the arbitrator may award the prevailing party its reasonable attorney fees and costs, including expert witness fees.

For consumer accounts, the arbitration hearing shall be conducted at a location within fifty miles of your residence (if in the United States) at the time the arbitration is initiated; if your residence is outside of the United States, the arbitration hearing will occur in Honolulu, HI. For all disputes regarding business accounts, the arbitration hearing will occur in Honolulu, HI.

All statutes of limitations or other defenses relating to the timeliness of the assertion of a dispute or claim that otherwise would be applicable to an action brought in a court of law must be followed by the arbitrator, and the commencement of an arbitration under this Arbitration Agreement shall be deemed the commencement of an action for such purposes.

The arbitrator's decision shall be final and binding and may be entered as a judgment in any state or federal court having jurisdiction. The arbitrator may award any remedy provided by the substantive law that would apply if the action were pending in court, including public injunctive relief.

Any issue concerning whether or the extent to which any claim is subject to arbitration, including issues relating to the validity or enforceability of this arbitration provision, shall be determined by the arbitrator. Only a court, and not an arbitrator, however, shall determine the validity and effect of the class action waiver below.

For more details, refer to the American Arbitration Association's website, www.adr.org, or call the American Arbitration Association's Customer Service telephone number at (800) 778-7879, or contact any Credit Union branch or call the Credit Union at 587-2700 (Oahu) or toll-free 1 (888) 586-1056 (Continental U.S. and Neighbor Islands).

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

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

Exception for Covered Loans to Covered Borrowers under the Military Lending Act. The arbitration provision does not apply to Covered Loans made to Covered Borrowers, as prohibited under the Military Lending Act, 10 USC § 987(e)(3).

WAIVER OF CLASS ACTION – YOU AND WE EACH AGREE THAT ANY AND ALL DISPUTES, WHETHER SUBMITTED TO ARBITRATION OR DECIDED BY A COURT, MUST BE BROUGHT IN THE PARTY'S INDIVIDUAL CAPACITY AND NOT AS A CLASS ACTION PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. YOU AGREE TO WAIVE THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR LITIGATE ON A CLASS-WIDE BASIS. YOU AGREE THAT YOU HAVE EXPRESSLY AND KNOWINGLY WAIVED THESE RIGHTS.

YOUR RIGHT TO OPT-OUT: ARBITRATION AND WAIVER OF CLASS ACTION – IF YOU DO NOT WANT THIS ARBITRATION AGREEMENT TO APPLY, YOU MAY OPT-OUT BY SENDING A WRITTEN OPT-OUT REQUEST TO THE CREDIT UNION. YOUR OPT-OUT REQUEST MUST BE POSTMARKED WITHIN SIXTY-ONE (61) DAYS AFTER YOUR FIRST RECEIPT OF THIS ARBITRATION AGREEMENT. YOUR OPT-OUT REQUEST MUST INCLUDE YOUR FULL NAME, ADDRESS, TELEPHONE NUMBER, AND PERSONAL SIGNATURE, WITH A STATEMENT THAT YOU WANT TO OPT OUT OF THIS ARBITRATION AGREEMENT. YOU MUST MAIL YOUR OPT- OUT REQUEST TO: HAWAII STATE FEDERAL CREDIT UNION – ATTN: COMP ARBITRATION, P. O. BOX 3072, HONOLULU, HI 96802-3072. OPTING OUT WILL NOT TERMINATE ANY OTHER AGREEMENTS OR ACCOUNTS YOU MAY HAVE WITH THE CREDIT UNION AND SHALL NOT AFFECT ANY OTHER RIGHTS AND OBLIGATIONS OWED BY OR TO YOU.

Effective Date. This Arbitration Agreement is effective on the 61st day after we first provide it to you ("Effective Date"), unless you opt-out in accordance with the requirements of YOUR RIGHT TO OPT- OUT provision above.

This Arbitration Agreement shall survive your death, the closing of any of your accounts, or the termination of any of your business or transaction(s) with us, and any bankruptcy filing to the extent consistent with applicable bankruptcy law.

In the event the Class Action Waiver in this Arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any other term or provision of this Arbitration Agreement is held to be invalid or unenforceable, it shall be deemed revised and enforced to the maximum extent permissible, and the remaining provisions shall be enforced without regard to the invalid or unenforceable term or provision.

CONSUMER ELECTRONIC FUND TRANSFERS AGREEMENT & DISCLOSURE

This Consumer Electronic Fund Transfers Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic fund transfers (EFT) services offered to you by Hawaii State Federal Credit Union ("Credit Union"). In this Agreement, the words "you," "your," and "yours" mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one (1) or more share and share draft accounts you have with the Credit Union. Electronic fund transfers 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 service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered. This Agreement supplements, but does not replace, any other agreements, disclosures, terms and conditions, and other information that we have provided to you, all of which continue to be applicable to your Hawaii State FCU accounts and services, such as your Account Card, Consumer Membership and Account Agreement, Fee Schedule, Website and Mobile Services Agreement, My Deposit and Mobile Deposit Services Agreement for Remote Deposit Capture (RDC), Overdraft Disclosure, and other agreements, disclosures, terms and conditions, and notices. See <https://www.hawaiistatefcu.com/disclosures/>. Additional requirements and restrictions also may be set forth in the instructions when you make a transaction. This Agreement applies only for use with respect to your accounts used primarily for personal, family, or household purposes and does not apply to accounts used for any business purposes (which are instead subject to the Business Electronic Services Agreement). Furthermore, electronic fund transfers that meet the definition of remittance transfers are governed by 12 C.F.R. part 1005, subpart B—Requirements for remittance transfers, and consequently, terms of this agreement may vary for those types of transactions. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

1. EFT SERVICES — If approved, you may conduct any one (1) or more of the EFT services offered by the Credit Union.

a. Debit Card. If approved, you may use your Visa® card to purchase goods and services from participating merchants. However, you may not use your card to initiate any type of electronic gambling transactions through the Internet. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. 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 share draft account. For ATM and one-time debit card transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Fee Schedule.

You may use your card and personal identification number (PIN) in ATMs of the Credit Union, and networks displayed on the back of your card, and such other machines or facilities as the Credit Union may designate. In addition, you may use your Visa card without a PIN for certain transactions on the networks displayed on the back of your card networks. However, provisions of this Agreement relating only to Visa debit transactions, such as additional limits on your liability and streamlined error resolution procedures, do not apply to transactions processed through non-Visa networks. To initiate a Visa debit transaction, you may sign a receipt, provide a card number, or swipe or insert your card at a point-of-sale (POS) terminal and choose to route the transaction over a Visa network.

At the present time, you may also use your card to:

- Make deposits to your designated accounts.
- Withdraw funds from your designated accounts.
- Transfer funds from your designated accounts.
- Obtain balance information for your designated accounts.
- Access your Overdraft Protection Plan accounts.

- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at merchants that accept Visa debit or at POS terminals that carry network logo(s) that appear on the back of your card.
- Order goods or services by mail or telephone from places that accept Visa.

The following limitations on Debit Card transactions may apply:

- There is no limit on the number of Debit Card purchases you make per day.
- You may purchase up to a maximum of \$5,000.00 per day.
- You may withdraw up to a maximum of \$600.00 in any one (1) day from an ATM.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your account at the time of the transfer.
- See Section 2 for transfer and withdrawal limitations that may apply to these transactions.

Card Information Updates and Authorizations. If you have authorized a merchant to bill charges to your card on a recurring basis, it is your responsibility to notify the merchant in the event your card is replaced, your card information (such as card number and expiration date) changes, or the account associated with your card is closed. However, if your card is replaced or card information changes, you authorize us, without obligation on our part, to provide the updated card information to the merchant in order to permit the merchant to bill recurring charges to the card. You authorize us to apply such recurring charges to the card until you notify the merchant that you are revoking the merchant's authorization for the charges to your card and the revocation processed.

Your card is automatically enrolled in an information updating service. Through this service, your updated card information (such as card number and expiration date) may be shared with participating merchants to facilitate continued recurring charges. Updates are not guaranteed. You are responsible for making direct payment until recurring charges resume and for assuring that the merchant has your updated card information.

b. Phone Banking (Private Line). If we approve Phone Banking (Private Line) for your accounts, a separate personal identification number (PIN) will be assigned to you. You must use your personal identification number (PIN) along with your account number to access your accounts. At the present time, you may use Phone Banking (Private Line) to:

- Transfer funds from your designated accounts.
- Obtain balance information for your designated accounts.
- Make loan payments from your designated accounts.
- Access your Overdraft Protection Plan account.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Phone Banking (Private Line) using a telephone. Phone Banking (Private Line) service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing.

The following limitations on Phone Banking (Private Line) transactions may apply:

- There is no limit to the number of inquiries or transfers requests you may make in any one (1) day.
- Transactions are limited to the available funds in your account.
- See Section 2 for transfer and withdrawal limitations that may apply to these transactions.

The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each telephone call.

c. Preauthorized EFTs.

- **Direct Deposit.** Upon instruction of (i) your employer, (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your share and/or share draft account.

- **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your share and/or share draft account.
- See Section 2 for transfer and withdrawal limitations that may apply to these transactions.
- **Stop Payment Rights.** If you have arranged in advance to make electronic fund transfers out of your account(s) for money you owe others, you may stop payment on preauthorized transfers from your account. You must notify us orally or in writing at any time up to three (3) 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 oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made. A stop payment request may apply to a single transfer, multiple transfers, or all future transfers as directed by you, and will remain in effect for six months, unless you withdraw your request or all transfers subject to the request have been returned. Contact us if you want to extend the stop payment order (additional fees apply).
- **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you, ten (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 of Preauthorized Transfers.** If you order us to stop payment of a preauthorized transfer three (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.

d. Electronic Check Conversion/Electronic Returned Check Fees. If you pay for purchases or bills with a check or draft, you may authorize your check or draft to be converted to an electronic fund transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic fund transfers if you complete the transaction after being told (orally 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 and Mobile Banking. If Online and Mobile Banking is activated for your account(s), you will be required to use secure login information to access the account(s). Please refer to the Website and Mobile Services Agreement for more information. At the present time, you may use Online and Mobile Banking to:

- Transfer funds from your share, share draft, and line of credit accounts.
- Obtain balance information for your share, share draft, loan, certificate, and credit card accounts.
- Make loan payments from your share, share draft, and loan accounts.
- Access your auto, personal, credit card, and HELOC accounts.
- Determine if a particular item has cleared.
- Obtain tax information on amounts earned on share and share draft accounts or interest paid on loan accounts.
- Verify the last date and amount of your payroll deposit.
- Make bill payments to preauthorized creditors.
- Make check deposits.
- Open new accounts.
- Setup recurring transactions.
- View eStatements.
- Live chat support.
- Email support.
- Manage external accounts.
- Setup account alerts.
- Place draft stop payment.
- External Funds Transfer (Online Banking only).
- Apply for a Loan (Online Banking only).
- Reorder checks (Online Banking only).

Your accounts can be accessed under Online or Mobile Banking from a personal computer or mobile device that has Internet access. Online and Mobile Banking will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

The following limitations on Online and Mobile Banking transactions may apply:

- There is no limit to the number of inquiries, transfers, or withdrawal requests you may make in any one (1) day.
- Transactions are limited to the available funds in your account.
- See Section 2 for transfer and withdrawal limitations that may apply to these transactions.

f. Internet Bill Payment Service. We will process bill payment transfer requests only to those creditors the Credit Union has designated in the User Instructions and such creditors as you authorize and for whom the Credit Union has the proper vendor code number. We will not process any bill payment transfer if the required transaction information is incomplete. Please refer to the Website and Mobile Services Agreement for more information.

We will withdraw the designated funds from your share draft account for bill payment transfer two (2) business days after the date you schedule for payment. We will process your bill payment transfer within a designated number of days before the date you schedule for payment. You must allow sufficient time for vendors to process your payment after they receive a transfer from us. Please leave as much time as though you were sending your payment by mail. We cannot guarantee the time that any payment will be credited to your account by the vendor.

The following limitations on Internet Bill Payment Service transactions may apply:

- There is no limit on the number of bill payments per day.
- The maximum amount of bill payments each day is \$10,000.00.

g. General. If you have enrolled in our overdraft protection program for your account, we may honor debit transactions when that account has insufficient available funds by transferring available funds from another account or a line of credit as you have directed, for debit card transactions, preauthorized EFTs, electronic check conversions, and internet bill payments, as described in our Overdraft Protection (ODP) Authorization form and our Overdraft Disclosure.

We reserve the right to refuse any transaction which would draw upon insufficient available funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. We may set other limits on the amount of any transaction and will notify you as required by law. We may (but are not required to) process any transaction in excess of your available balance or other transaction limits, in accordance with our overdraft policy. If 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 accordance with our overdraft policy. In the event of repeated overdrafts, we may terminate all services under this Agreement.

2. TRANSFER LIMITATIONS — For all Regular Share, Investment Share, and Individual Retirement Accounts, you may make no more than six (6) transfers and withdrawals from your account to another account of yours or to a third party in any month by means of a preauthorized, automatic, or Internet transfer, by telephonic order or instruction, or by check, draft, debit card or similar order. Transactions that exceed the transfer limitations may not be processed. If you exceed these limitations, your account may be subject to a fee or be closed. For Green Bucks accounts, we may not process any type of transfer or withdrawal, or we may close your account if you make a transfer or withdrawal; moreover, electronic fund transfers are not allowed.

3. CONDITIONS OF EFT SERVICES —

a. Ownership of Cards. Any card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the card, immediately according to instructions. 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. Purchases and cash withdrawals made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate between the transaction currency and the billing currency used for processing international transactions is a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or the government-mandated rate in effect for the applicable central processing date. The exchange 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.

A fee of 1.00% of the amount of the transaction, calculated in U.S. dollars, will be imposed on all foreign transactions, including purchases, cash withdrawals and credits to your account. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States, with the exception of U.S. military bases, U.S. territories, U.S. embassies or U.S. consulates.

d. Security of Access Code. You may use one (1) or more access codes with your electronic fund transfers. The access codes issued to you are for your security purposes. Any access 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 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 the Credit Union 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, alone and together, shall be responsible for all EFT transactions to or from any share and share draft or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and is hereby 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 the Credit Union may accept orders and instructions regarding any EFT transaction on any account from any joint account owner.

4. FEES — There are certain fees and charges for EFT services. For a current listing of all applicable fees, see our current Fee Schedule that was provided to you at the time you applied for or requested these electronic services. From time to time, the fees may be changed. We will notify you of any changes as required by applicable law.

If you use an ATM not operated by us, you may be charged a fee by the ATM operator and by any international, 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 funds transfer). The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry.

5. MEMBER LIABILITY — You are responsible for all transactions you authorize using your EFT services under this Agreement. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts.

TELL US AT ONCE if you believe your card or access code has been lost or stolen, if you believe someone has used your card or access code or otherwise accessed your accounts without your authority, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line-of-credit). If 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 fraudulent or negligent in the handling of your account or card.

For all other EFT transactions involving your card or access code, including if you were 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 (2) business days after you learn of the loss or theft of your card or access code, you can lose no more than \$50.00 if someone used your card or access code without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card or access code and we can prove we could have stopped someone from using your card or access code without your permission if you had told us, you could lose as much as \$500.00.

Also, if your statement shows transfers that you did not make including those made by card, access code or other means, TELL US AT ONCE. If you do not tell us within 60 days after the statement was mailed to you, you may not get back 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 will extend the time periods.

If you believe your card or access code has been lost or stolen or that someone has transferred or may transfer money from your accounts without your permission, CALL us immediately to BLOCK YOUR CARD:

Call us: During Credit Union Hours
(808) 587-2700 – Island of O’ahu
(888) 586-1056 – (Toll Free) Neighbor Islands & Continental U.S.A.

Or Write to: Hawaii State Federal Credit Union
Attn: Card Operations Department
P.O. Box 3072
Honolulu, HI 96802-3072

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

6. RIGHT TO RECEIVE DOCUMENTATION —

a. Periodic Statements. Transfers and withdrawals made through any ATM or POS terminal, debit card transactions, audio response transactions, preauthorized EFTs, online/PC transactions, mobile access device transactions or bill payments you make will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.

b. Terminal Receipt. You can get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM and/or point-of-sale (POS) terminal.

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 whether or not the deposit has been made by calling (808) 587-2700 or (888) 586-1056. This does not apply to transactions occurring outside the United States.

7. ACCOUNT INFORMATION DISCLOSURE — We will disclose information to third parties about your account or the transfers you make:

- As necessary to complete transfers;
- 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;
- If your account is eligible for emergency cash and/or emergency card replacement services and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s);
- To comply with government agency or court orders; or
- If you give us your written permission.

8. BUSINESS DAYS — Our business days are Monday through Friday, excluding holidays.

9. 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 available funds 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 Disclosure, or if the transaction involves a loan request exceeding your credit limit.
- If you used 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 was 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 was 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 telephone or computer equipment you use to conduct audio response, online/PC, or mobile banking transactions is not working properly and you know or should have known about the breakdown when you started the transaction.
- If you have bill payment services, we can only confirm the amount, the participating merchant, and date of the bill payment transfer made by the Credit Union. 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 the Credit Union.

10. NOTICES — All notices from us will be effective when we have mailed them or delivered them to the appropriate 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. Subject to applicable law, this Agreement is subject to change by the Credit Union at any time in our sole discretion. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

You may send us general email messages by contacting us at memberservices@hsfcu.com. Do not include any personal or confidential information in any email that you send to us, whether through our Website or through a different email provider. Email is NOT SECURE. Never email your account number, PIN, password, username, other access code, or social security number.

If you have an important message for us that is time-sensitive (for example, if you want to report a lost or stolen ATM card or credit card, if you want to stop payment on a check, or if you have other information which requires prompt action), do not rely on email, as we may not check our email messages regularly. Instead, please telephone us immediately.

In any event, whenever you email us, if you do not receive a response from us (not counting a receipt automatically generated by the computer) within one business day, please contact us to confirm that we received your email and are addressing your concern.

In order to help mitigate harm to you and your account, we may contact you on any telephone number associated with your account, including a wireless telephone number (i.e. cell phone number), or by email, to deliver to you any security messages related to suspected or actual fraudulent activity on your account, data security breaches or identity theft following a data breach, money transfers or any other exigent messages permitted by applicable law. These security messages will not contain any telemarketing, cross-marketing, solicitation, advertising, or debt collection message of any kind. The security messages will be concise and limited in frequency as required by law. To receive these security messages, it is important that you inform us if your telephone or email address changes. You will have an opportunity to opt-out of security messages at the time of delivery.

Please note, however, that we will never contact you by email, text, telephone, mail or other type of correspondence and request your PIN, password, username, or other access code. If you are contacted by anyone asking for your PIN, password, username or other access code, you should refuse and contact us immediately. You may be the target of identity theft.

The following information is a list of safety precautions regarding the use of ATMs and night deposit facilities:

- Be aware of your surroundings, particularly at night.
- Consider having someone accompany you when the ATM or night deposit facility is used after dark.
- Close the entry door of any ATM facility equipped with a door.
- If another person is uncomfortably close to you at the time of your transaction, ask the person to step back before you complete your transaction. If it is after the regular hours of the financial institution and you are using an ATM, do not permit entrance to any person you do not know.
- Refrain from displaying your cash at the ATM or night deposit facility. As soon as your transaction is completed, place your money in your purse or wallet. Count the cash later in the safety of your car or home.
- If you notice anything suspicious at the ATM or night deposit facility, consider using another ATM or night deposit facility or coming back later. If you are in the middle of a transaction and you notice something suspicious, cancel the transaction, take your card or deposit envelope, and leave.
- If you are followed after making a transaction, go to the nearest public area where people are located.
- Do not write your personal identification number (PIN) or access code on your ATM card.
- Report all crimes to law enforcement officials immediately. If emergency assistance is needed, call the police from the nearest available public telephone.

11. BILLING ERRORS — In case of errors or questions about electronic fund transfers from your share and share draft accounts or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address 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. Call us at:

Call us: During Credit Union Hours
(808) 587-2700 – Island of O'ahu
(888) 586-1056 – (Toll Free) Neighbor Islands & Continental U.S.A.

Or Write to: Hawaii State Federal Credit Union
Attn: Card Operations Department
P.O. Box 3072
Honolulu, HI 96802-3072

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

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

We will determine whether an error has occurred within ten (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 ten (10)* business days for the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. 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 ten (10) business days to investigate the error.

** 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 (POS) 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 the error.

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 (5) business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within ten (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 your use of your card and any access code. You must return all cards to the Credit Union. 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 orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer 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 electronic transactions made prior to termination.

13. GOVERNING LAW — This Agreement is governed by the bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Hawaii, 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 county in which the Credit Union is located.

14. ENFORCEMENT — You are liable to us for any losses, costs or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, 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 postjudgment collection actions.



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FUNDS AVAILABILITY POLICY

This disclosure describes your ability to withdraw funds at Hawaii State Federal Credit Union. It only applies to the availability of funds in Share Draft/Checking accounts. The credit union reserves the right to delay the availability of funds deposited to Share/Savings and Term Share accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

1. General Policy. Our policy is to make funds from cash and check deposits available to you on the business day we receive your deposit, if the deposit is made at one of our branches, in person to an employee of the credit union. 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 make funds available to you, and you have withdrawn the funds, you are responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

2. Determining the Availability of your Deposits. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit in person at any one of our branches before the close of business on a day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after the close of the business day or on a day we are not open, we will consider that the deposit was made on the next business day that we are open.

3. Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the business day we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the third (3rd) business day after the day of your deposit. However, the first \$200 of your deposit will be available immediately on the business day of your deposit. If we are not going to make all of the funds from your deposit available on the business day we receive your deposit, 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 made by mail, drop box or ATM, or if we decide to take this action after you have left the premises, we will mail you the notice no later than the business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

4. Longer Delays May Apply. We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- 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 (6) 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 seventh (7th) business day after the day of your deposit. We reserve the right to refuse or return any deposit, to limit the amount of any deposit, or to accept a check or item for collection only.

5. Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, travelers, and federal, state, and local government checks will be available immediately on the business 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 (7th) business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other check deposits will be available on the seventh (7th) business day after the day of your deposit.

6. Holds On Other Funds. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the checks we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described in this disclosure for the type of check you deposited.

7. Special Rules for ATM Deposits. Deposits will be credited to your account once we verify the deposit. Checks deposited at an ATM are subject to the check hold provisions stated above.

The daily ATM Deposit cut-off time is 1:00 pm HST, Monday through Friday excluding state and federal holidays. Checks deposited on or before the ATM cut-off time are considered received on the same day. Deposits made after the cut-off time or on Saturday, Sunday, state and federal holidays are considered deposited on the next business day. Deposits are subject to verification and are not available for immediate withdrawal. Limitations may apply. Refer to the section titled Reservation of Right to Hold for additional information.

OVERDRAFT DISCLOSURE

This Overdraft Disclosure contains important information regarding overdrafts; your account balance; overdrawn accounts; posting transactions to your account; pre-authorization commitments; overdraft payment service; overdraft and returned item fees; overdraft protection program (transfers); linking a line of credit; minimizing fees; and other information.

Please read this disclosure carefully. It supplements your applicable Consumer Membership and Account Agreement or Business Membership and Account Agreement; Consumer Fee Schedule or Business Fee Schedule; Funds Availability Policy; and all other agreements and disclosures applicable to your accounts. Some of the services and examples set forth below may not apply to all of your accounts. If you have questions, please see a branch representative or call our Member Service Call Center at (808) 587-2700 on Oahu or toll-free at 1 (888) 586-1056 (Continental US and neighbor islands) during our business hours.

“Overdraft” means there is not enough available balance in your account to pay for a transaction, item or fee. “You,” “your” and “yours” mean the account owner. The “Credit Union,” “we,” “us,” “our” and “ours” mean Hawaii State Federal Credit Union.

1. YOUR ACCOUNT BALANCE. Your share accounts and your share draft/checking accounts have two kinds of balances: the “current” balance (also called the “actual” balance) and the “available” balance. Both can be checked when you review your account online, use our app or phone banking service, at ATMs that we own (e.g., ATMs in our branches or bearing our name), by phone to our Call Center, or at a Credit Union branch. It is important to understand how the two balances work so that you know how much money is in your account at any given time. This section explains current balances and available balances and how they work.

Your current balance is the total amount of money that is in your account at any given time. It reflects the full amount of all deposits to your account, even though some portion of a deposit may not be available to you or may be pending receipt of funds from a third party, less payment transactions that have “posted” to your account. It does not, however, include preauthorized commitments to pay merchants that are pending settlement (i.e., have not yet been paid or posted to your account), nor checks or other payments that have not yet posted. Thus, while the term “current” may sound as though the amount you see is an up-to-date display of what is in your account that you can spend, that is not always the case. For example, if you have a \$50 current balance, but you just wrote a check for \$40, then your current balance is \$50 but it does not reflect the pending \$40 check transaction. At that point, you actually have \$50 in your account, but you have already spent \$40.

Your available balance is the amount of money in your account that is immediately available for use. The available balance includes adjustments for factors such as restrictions placed on deposits and preauthorization commitments that the Credit Union has made but that have not yet posted to your account. Your available balance also may be reduced by the amounts that you have pledged to secure loans, amounts that are subject to garnishment or other judicial process, etc. For example, assume you have a current balance of \$50 and an available balance of \$50. If you were to swipe your debit card at a merchant to buy groceries for \$20, then that merchant could ask us to guarantee or authorize the payment. In that case, we will reduce your available balance by the amount of the “pre-authorization commitment,” which is \$20. Your current balance would still be \$50 because this transaction has not yet posted, but your available balance would be \$30 because you have a commitment to pay the merchant \$20. When the merchant submits its bill for payment (which could be several days later), your current balance will be reduced by the amount of the posted transaction (in this example, \$20) and both your current and available balance will be \$30.

2. WHEN IS YOUR ACCOUNT OVERDRAWN? Available balance is used to determine when your account is overdrawn. The following example illustrates how this works. Again, assume your current balance and available balance are both \$50, and you swipe your debit card at a merchant for \$20. The merchant requests a pre-authorization commitment and we reduce your available balance to \$30. Your current balance is still \$50. Before the merchant transaction is sent to us for payment, a check that you wrote for \$40 clears. Because you have only \$30 available (you have a commitment to pay the merchant \$20), your account will be overdrawn by \$10, even though your current balance is \$50. In this case, we may pay the \$40 check, but you will be charged an overdraft fee for the \$40 transaction, even though your current balance may exceed the amount of the transaction. That fee will be deducted from your account, further reducing the balance. When the merchant requests payment for the \$20 transaction, your available balance will be insufficient to cover the \$20 transaction. This will result in an overdraft fee for the \$20 transaction also, even though your available balance was sufficient at the time the pre-authorization commitment for the transaction was approved.

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. Your available balance may not reflect all of your outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account. 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. Your available balance also may not reflect recent deposits to your account that are subject to our Funds Availability Policy.

In addition, your available balance may not reflect all of your pending debit card or ATM card transactions. For example, if a merchant obtains a pre-authorization commitment but does not submit a one-time debit card transaction for payment within three (3) business days after pre-authorization, we may increase your available balance by the amount of the pre-authorization commitment. This means that your available balance will not reflect the pending transaction until the transaction has been received by us and paid from your account (i.e., posted). (Note that this commonly happens with certain types of pre-authorized commitments, such as car rentals and international purchases, depending on the merchant.) Even though we may increase your available balance when a merchant does not submit the transaction for payment in a timely manner, the obligation to the merchant still applies. The time period for the pre-authorization commitment may be different for certain types of merchants such as gas stations that may have pre-authorization commitment period of several hours, or for transactions or accounts that involve suspicious or unusual activity.

The Credit Union’s determination of an insufficient available account balance may be made at any time between presentation and the Credit Union’s midnight deadline with only one review of the account required. We do not have to notify you if your account does not have sufficient available funds in order to pay an item.

3. POSTING TRANSACTIONS TO YOUR ACCOUNT. The two basic types of transactions for your account are: (i) credits (deposits) into your account, and (ii) debits (withdrawals or payments) out of your account. We may receive multiple credit and debit transactions on your account in many different forms throughout the day. This is a general description of how certain types of transactions are posted and exceptions may apply. These practices may change and we reserve the right to pay items in any order we chose as permitted by law.

Some items are received by us individually and others are received in batches. Items that we receive individually are posted to your account immediately upon receipt, in the order received. (Items received by mail are not processed on weekends or holidays, and may be processed in random order.) Individual debits that we receive electronically are posted 24 hours a day, 7 days a week. Items that we receive by batch are aggregated and processed before the start of the next processing day, first by processing all batched credits; then by processing all batched ACH debits, from low to high dollar value; and then by processing all batched checks, from low to high dollar value. Pending transactions are subject to reversal. ACH items that have a future settlement date (such as payroll deposits, government benefits, and ACH recurring debits) are processed prior to the start of business on the settlement date. There may be exceptions on when debits are posted, or a delay in receiving ACH and other third-party deposits. You may contact the Credit Union to confirm whether a debit or deposit has been posted, to determine availability of deposited funds, and to determine your available balance.

When we post an item to your account, your current balance will immediately decrease by the amount of the transaction. Items that we often receive individually include ATM withdrawals and over-the-counter teller transactions. Examples of items that we often receive in batches include checks drawn on your account presented by other financial institutions and ACH transactions. We may receive debits for purchase transactions made with your debit card or ATM card individually or in batches, depending on the merchant. Exceptions may apply. 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 how and when we post transactions to your account.

Checks, drafts, transactions, and other items may not be processed in the order that you make them or in the order that we receive them. We may, at our discretion, pay a check, draft, or item, and execute other transactions on your account in any order we choose. In most cases, we will follow the order set forth in this disclosure. The order in which we process checks, drafts, or items, and execute other transactions on your account may affect the items that are paid and the total amount of overdraft and returned item fees that may be charged to your account. We may choose our order of processing items irrespective of the fees that may result. Please contact us if you have questions about how we pay checks or drafts and process transfers and withdrawals.

Credits. We reserve the right to refuse any item for deposit into your account. Your available balance may not reflect the most recent deposits to your account. For details on the availability of funds that are deposited, see our "Funds Availability Policy," which is available at any branch or online at www.hawaiistatefcu.com/funds-availability-policy.

Debits. There are several types of debit (withdrawal) transactions. Common types of debit transactions are described below. Note 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.

- **ACH Debits.** Multiple Automated Clearing House (ACH) transactions are sent to us by the Federal Reserve Bank in a data file (i.e., batched). ACH debits include, for example, automatic bill payments that you have authorized. ACH debits may be arranged by you with a payee (such as your utility company or insurance company), or in person at a Credit Union branch. ACH debits are posted on the settlement date.
- **ATM Withdrawals, Teller Withdrawals, Private Line Telephone Transfers.** When you make a withdrawal at an ATM or Teller, or a Private Line telephone transfer, it is processed individually and deducted from your account immediately.
- **Checks.** When you write a check, the check may be processed through a clearing unit, such as a Federal Reserve Bank, which sends us multiple checks in a clearing file (i.e., batched). On-us checks cashed at any of our branches are processed individually and deducted from your account immediately.
- **Online Banking Transfers.** When you use our Online Banking Service to make transfers between your Credit Union accounts, transfers that are scheduled for a future date are batched and are not reflected in your current balance or your available balance until the day that the transfer is made. When you use Online Banking to make a same-day transfer, transfers are processed individually and deducted from your account immediately.
- **Mobile Banking Transfers.** When you use our Mobile Banking Service to make transfers between your Credit Union accounts, transfers are processed individually and deducted from your account immediately.
- **Internet Bill Payments.** When you use our Internet Bill Payment Service, payments may not be reflected in your current balance or your available balance until two (2) business days after the scheduled payment date.
- **PIN-Based Purchase Transactions.** A Personal Identification Number (PIN)-based purchase transaction occurs when your debit card or ATM card is used to make a purchase and the merchant processes the transaction through a PIN debit network, such as Star or Interlink. (A purchase transaction may be a PIN-based transaction even if the merchant does not require you to enter your PIN.) A PIN-based purchase transaction is similar to an ATM withdrawal because money usually is deducted from your account immediately at the time of the transaction. Some PIN-based purchase transactions, however, are not presented for payment immediately, depending on the merchant.
- **Signature-Based Purchase Transactions.** A signature-based purchase transaction occurs when your debit card or ATM card is used to make a purchase and the merchant processes the transaction through a signature-based network, such as Visa. The merchant may require you to sign for the purchase instead of entering a PIN. (In some situations, the merchant may not require a signature, such as for an internet purchase or for a purchase below a certain dollar amount.) Signature-based purchase transactions may be processed individually or batched, depending on the merchant.

4. PRE-AUTHORIZATION COMMITMENTS. A merchant may seek pre-authorization to guarantee that it will be paid for a purchase transaction made with a debit card or ATM card. When this happens we generally reduce your available balance by the amount of the pre-authorization commitment. We reduce your available balance as we receive (and accept) the pre-authorization request, but your current balance is not affected until the transaction is processed by the merchant and submitted to us for payment. This can happen instantly or sometimes days after the transaction, depending on the merchant. These payment requests generally are received in real time throughout the day and are immediately posted to your account.

Please note: The amount of a pre-authorization commitment may differ from the actual payment because the final transaction amount may not be known to the merchant when the merchant submits a pre-authorization request. For example, a restaurant may request a pre-authorization commitment on your account for the amount of your bill, but when the transaction posts it may be for an amount that includes a tip that you authorized. A difference in amount may also happen when you use your debit card or ATM card at gas stations, hotels, car rental companies, and other establishments. We cannot control how much a merchant asks us to pre-authorize, or how long a merchant takes to submit a transaction for payment.

5. OVERDRAFT PAYMENT SERVICE. If a check, item or transaction is presented without sufficient available funds in your account to pay it, we may, in our discretion, pay the item (creating an overdraft) or return the item. The Credit Union's overdraft policy allows us to authorize payment for the following types of transactions regardless of whether your account has a sufficient available balance: (1) checks and other transactions made using your share draft/checking account, except as otherwise described below; (2) Internet bill payments; and (3) ACH transactions.

Please note that for ATM and one-time debit card transactions for consumer checking accounts, you must affirmatively consent (opt-in) to our overdraft payment service for such coverage. Without your consent, we may not authorize an ATM transaction or a one-time debit card transaction if your consumer checking account does not have sufficient available funds. If you do not opt-in, we will not assess an overdraft fee in a consumer checking account because the transaction is refused and the account will not be overdrawn. Contact the Credit Union to opt-in to, or to disenroll from, our overdraft payment service for ATM transactions and one-time debit card transactions for consumer checking accounts.

6. OVERDRAFT AND RETURNED ITEM FEES. Except as provided above with respect to ATM and one-time debit card transactions for consumer checking accounts, we will assess an overdraft or returned item fee if your available balance is insufficient when we receive a payment to post to your account, regardless of whether or not we pay the item. You may be charged more than one fee if multiple transactions are submitted for payment when the available balance in your account is insufficient (overdrawn). Unless otherwise specified in your account Fee Schedule, there is no limit on the total fees that we can charge you for overdrafts on your account. The amounts of the overdraft and returned item fees are disclosed in your account Fee Schedule.

Except as otherwise agreed in writing, if we pay items when your available balance is insufficient, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee when your available balance is insufficient, you agree to pay the insufficient amount. You also agree to pay the fee assessed by us in accordance with our standard overdraft services or any other service you may have authorized with us, or if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

7. OVERDRAFT PROTECTION PROGRAM (TRANSFERS). If we have approved an overdraft protection program for your share draft/checking account, we may honor debit transactions when your account has insufficient available funds by transferring funds from another account or a line of credit (see Section 8 below), as you have directed, or as required under the Credit Union's overdraft policy. Funds will be transferred in multiples of \$100 to cover the amount of the overdraft. Funds transferred from your share accounts are subject to the transaction limitations described in your applicable consumer Truth-in-Savings Disclosure or Business Rate Schedule & Account Disclosures. Should the available balance be less than \$100, we will transfer all available funds only if they are sufficient to cover the overdraft. If funds are transferred from your share account, we may take your account balance below the minimum balance requirement as described in your account disclosure, and the monthly service fee will apply. The fee for overdraft transfers, if any, is set forth in your account Fee Schedule. Contact the Credit Union to enroll in the overdraft protection program. (In accordance with federal regulations, share (savings) accounts are limited to six (6) preauthorized, automatic, telephone, or audio response transfers (including overdraft protection transfers) to another account for which the member is an accountholder. Transfers beyond the six will not be processed.)

8. LINKING A LINE OF CREDIT. If you have a line of credit with us, you may link your line of credit to your share draft/checking account through our overdraft protection program. When funds are drawn from your line of credit, interest is assessed in accordance with the terms of the line of credit account. As described above, funds generally will be transferred in multiples of \$100 to cover the amount of the overdraft. Contact the Credit Union if you want to apply for a line of credit. When you obtain the line of credit, remember to add it to your overdraft protection program.

9. MINIMIZING FEES. *The best way to know the amount of available funds you have and to avoid paying overdraft or returned item fees is to record and track all of your transactions closely, including pre-authorization commitments, outstanding checks, ACH debits, internet bill payments, online and mobile banking transfers, Private Line phone banking transactions, restrictions on deposits (or returned deposits), garnishments and other items that reduce your available balance. When in doubt as to the amount of a pre-authorization commitment, we suggest you ask the merchant what its policy is, and how long it takes for the transaction to be submitted for payment.*

The Credit Union offers various ways to help you minimize your overdraft and returned item fees. For example, you may enroll in an automatic overdraft protection program which transfers available funds from specified accounts at the Credit Union; or you may apply for a Line of Credit and link the line of credit to your account; or you may decide not to opt-in to the overdraft payment service for consumer checking accounts.

10. OTHER INFORMATION. IF YOU DO NOT UNDERSTAND THIS DISCLOSURE, HAVE ANY QUESTIONS, OR WOULD LIKE MORE INFORMATION, PLEASE CONTACT our Member Service Call Center at (808) 587-2700 on Oahu or toll free at 1 (888) 586-1056 (Continental US and neighbor islands) during our business hours.

This Disclosure is in effect as of October 1, 2018. This information may have changed. To find out what may have changed, please call us at the phone number above or write to us at Hawaii State Federal Credit Union, P.O. Box 3072, Honolulu, HI 96802-3072. Please file this with your other Credit Union documents and agreements.

NOTICE REGARDING VISA® AND NON-VISA® PINLESS DEBIT TRANSACTIONS

You may use your Visa® Debit Card to initiate both Visa® debit transactions and non-Visa® debit transactions without using a personal identification number (PIN) to authenticate the transactions.

To initiate a Visa® debit transaction, you may sign a receipt, provide a card number or swipe your card through a point-of-sale (POS) terminal and choose to route the transaction over a Visa® network.

To initiate a non-Visa® debit transaction, you may enter a PIN at a point-of sale terminal or, for certain bill payment transactions, provide the account number for an e-commerce or mail/telephone order transaction after clearly indicating a preference to route it as a non-Visa® transaction. We have enabled non-Visa® debit transaction processing on the Star network.

The rights and protections applicable only to Visa® debit transactions, including additional consumer liability limits and streamlined error resolution procedures, as described in your Electronic Fund Transfers Agreement and Disclosure will not apply to transactions processed through non-Visa® networks.

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