

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

SUZANNE DOS SANTOS PAIS, on
behalf of herself and all others similarly
situated,

Plaintiff,

vs.

SHARON & CRESCENT UNITED
CREDIT UNION,

Defendant.

Civil Action No.

CLASS ACTION COMPLAINT

Plaintiff Suzanne Dos Santos Pais (“Plaintiff”), on behalf of herself and all others similarly situated brings this class action complaint against Defendant Sharon & Crescent United Credit Union (“Defendant” or “SCUCU”), and alleges the following:

NATURE OF THE ACTION

1. Plaintiff brings this action individually and on behalf of all similarly situated consumers against Defendant SCUCU, arising from (1) SCUCU’s routine practice of assessing more than one non-sufficient funds fee (“NSF Fee”) or overdraft fee (“OD Fee”) on the same transaction, and (2) SCUCU’s improper assessment and collection of OD Fees on accounts that were never actually overdrawn.

2. SCUCU misleadingly and deceptively misrepresents the above practices in its publicly available marketing materials, including its own account contracts

3. SCUCU’s members have been injured by SCUCU’s improper practices to the tune of millions of dollars bilked from their accounts in clear violation of their agreements with SCUCU.

4. Plaintiff, on behalf of herself and two classes of similarly situated consumers, seeks to end SCUCU's abusive and predatory practices and force it to refund the improper charges. Plaintiff asserts a claim for breach of contract, including breach of the covenant of good faith and fair dealing, and for violations of the Massachusetts Consumer Protection Action, G.L. c. 93A, and seeks damages, restitution, and injunctive relief, as set forth more fully below.

PARTIES

5. Plaintiff Suzanne Dos Santos Pais is a citizen and resident of Brockton, Massachusetts.

6. Defendant SCUCU is a Massachusetts credit union with its principal place of business located in Brockton, Massachusetts. It has \$1.2 billion in assets and maintains branches throughout Massachusetts.

JURISDICTION AND VENUE

7. This Court has original jurisdiction over this action pursuant to the Class Action Fairness Act of 2005. Pursuant to 28 U.S.C. §§ 1332(d)(2) and (6), this Court has original jurisdiction because (1) the proposed Class is comprised of at least 100 members; (2) at least one member of the proposed class resides outside of Massachusetts; and (3) the aggregate claims of the putative class members exceed \$5 million, exclusive of interest and costs.

8. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because SCUCU is subject to personal jurisdiction here, regularly conducts business in this District, and because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this district.

FACTUAL BACKGROUND AND GENERAL ALLEGATIONS

I. SCUCU CHARGES MULTIPLE FEES ON THE SAME ITEM

9. SCUCU’s Account Documents provide the general terms of the contractual relationship between Plaintiff and Defendant.

10. SCUCU’s Account Documents allow SCUCU to charge a *single* \$35 NSF Fee or OD Fee when an “item” is returned for insufficient funds or paid despite insufficient funds.

11. SCUCU breached its Account Documents with its accountholders by charging more than one \$35 NSF Fee or OD Fee on the same item, since its contract explicitly states—and reasonable consumers understand—that the same item can only incur a single NSF Fee or OD Fee.

12. A recent Washington Post article discussed predatory overdraft fees, labeling NSF fees like those SCUCU imposes as “indefensible” because “the customer gets hit with multiple charges for the same item.” *I bought my kids dinner – and saw firsthand how overdraft fees punish the poor*, The Washington Post (October 1, 2021), https://www.washingtonpost.com/outlook/i-bought-my-kids-dinner--and-saw-firsthand-how-overdraft-fees-punish-the-poor/2021/09/30/32383c40-216e-11ec-b3d6-8cdebe60d3e2_story.html. The banks “are charging a fee for doing literally nothing.... [T]his is like asking a friend if I can borrow \$20, only to have him take \$10 out of my wallet for turning down my request.” *Id.*

13. In its March 2022 issue of *Consumer Compliance Supervisory Highlights*, the FDIC addressed the charging of multiple non-sufficient funds fees for transactions presented multiple times against insufficient funds in the customer’s account. In the Supervisory Highlights, the FDIC discussed potential consumer harm from this practice in terms of both deception and unfairness under the Federal Trade Commission Act Section 5’s prohibition on unfair or deceptive acts or practices. The FDIC stated that the “failure to disclose material information to customers

about re-presentment practices and fees”—i.e., unclear definitions of “per item” or “per transaction”—may be deceptive:

During 2021, the FDIC identified consumer harm when financial institutions charged multiple NSF fees for the re-presentment of unpaid transactions. Some disclosures and account agreements explained that one NSF fee would be charged “per item” or “per transaction.” These terms were not clearly defined and disclosure forms did not explain that the same transaction might result in multiple NSF fees if re-presented. While case-specific facts would determine whether a practice is in violation of a law or regulation, the failure to disclose material information to customers about re-presentment practices and fees may be deceptive. This practice may also be unfair if there is the likelihood of substantial injury for customers, if the injury is not reasonably avoidable, and if there is no countervailing benefit to customers or competition. For example, there is risk of unfairness if multiple fees are assessed for the same transaction in a short period of time without sufficient notice or opportunity for consumers to bring their account to a positive balance.

Consumer Compliance Supervisory Highlights, Federal Deposit Insurance Corporation, p. 8

(March 2022), <https://www.fdic.gov/regulations/examinations/consumer-compliance-supervisory-highlights/documents/ccs-highlights-march2022.pdf> (last accessed May 25, 2022).

14. SCUCU’s abusive practices are not standard within the financial services industry. Indeed, major banks such as Wells Fargo—one of the largest consumer banks in the country—charge one fee per item, even if that item is resubmitted for payment multiple times. And while some other banks engage in the same practices as SCUCU, their members agree to terms authorizing the fee practice.

15. Indeed, only recently did SCUCU amend their Account Documents to disclose that an item may incur multiple fees. However, at the time Plaintiff incurred fees, this disclosure was not in effect.

16. SCUCU’s Account Documents did not say that SCUCU repeatedly charged members multiple fees on a single item. To the contrary, the Account Documents indicated it would only charge a single NSF Fee or OD Fee on an item.

A. Plaintiff Dos Santos Pais's Experience

17. In support of her claim, Plaintiff Dos Santos Pais offers examples of fees that should not have been assessed against her checking account. As alleged below, SCUCU: (a) reprocessed previously declined transactions; and (b) charged an additional fee upon reprocessing.

18. As an example, on February 19, 2019, Plaintiff Dos Santos Pais was charged multiple \$32¹ NSF Fees on the same payment when it was resubmitted by the merchant for payment without Plaintiff Dos Santos Pais's request to reprocess the transaction. Each merchant request for payment was for a single transaction and, as is laid out in SCUCU's Account Documents, should be subject to, at most, a single NSF Fee or OD Fee.

19. Plaintiff Dos Santos Pais understood each payment to be a single item as is laid out in SCUCU's contract, capable at most of receiving a single NSF Fee (if SCUCU returned it) or OD Fee (if SCUCU paid it).

B. The Imposition of Multiple Fees on a Single Transaction Violates SCUCU's Express Promises and Representations.

20. SCUCU's Account Documents state that SCUCU will assess a single fee of \$35 for an "item" that is returned due to insufficient funds.

21. The Account Documents do not indicate that multiple fees may be assessed against a single item. In fact, according to the operative fee schedule, at most a single fee will be assessed for each "item" that is returned or paid into overdraft.

22. SCUCU's Account Documents, namely its *Schedule of Fees*, state that the credit union will assess a single fee of \$35 for an item that is rejected due to insufficient funds:

Overdraft Privilege Service (OPS) Paid Item*	\$35.00
Non-Sufficient Funds (NSF) Returned Item	\$35.00

¹ The NSF Fee has since been raised to \$35.

Ex. A.

23. The same check, ACH, or other electronic payment is not a new “item” each time it is rejected for payment then reprocessed, especially when—as here—Plaintiff took no action to resubmit the item.

24. Even if SCUCU reprocesses an instruction for payment, it is still the same item or transaction. Defendant’s reprocessing is simply another attempt to effectuate an accountholder’s original order or instruction.

25. As alleged herein, Plaintiff took only a single action to make a single payment; she may therefore be charged only a single fee.

26. SCUCU promises that one \$35 NSF Fee or OD Fee will be assessed per “item,” such as a check or ACH payment, and this must mean all iterations of the same instruction for payment. As such, SCUCU breached the contract when it charged more than one fee per item.

27. Reasonable accountholders understand any given authorization or payment to be one item, as that term is used in SCUCU’s Account Documents.

28. The Account Documents described above never discuss a circumstance where SCUCU may assess multiple fees for an item that was returned for insufficient funds and later reprocessed one or more times and returned again.

29. Taken together, the representations identified above convey to members that all submissions for payment of the same transaction will be treated as the same “item,” which Defendant will either pay (resulting in an overdraft fee) or return (resulting in a non-sufficient funds fee) when there are insufficient funds in the account. Nowhere does SCUCU disclose that it will treat each reprocessing of a check or ACH payment as a separate item, subject to additional fees, nor do SCUCU members ever agree to such fees.

30. Further, members reasonably understand, based on the language of SCUCU's Account Documents, that Defendant's reprocessing of checks or ACH payments are simply additional attempts to complete the original order or instruction for payment, and as such, will not trigger additional fees. In other words, it is always the same item.

31. Other banks and credit unions like SCUCU that employ this abusive multiple-fee practice know how to plainly and clearly disclose it—something SCUCU did not do until recently.

32. For example, First Hawaiian Bank engages in the same abusive practices as SCUCU, but at least currently discloses it in its online banking agreement, in all capital letters, as follows:

YOU AGREE THAT MULTIPLE ATTEMPTS MAY BE MADE TO SUBMIT A RETURNED ITEM FOR PAYMENT AND THAT MULTIPLE FEES MAY BE CHARGED TO YOU AS A RESULT OF A RETURNED ITEM AND RESUBMISSION.

(emphasis added) *Terms and Conditions of FHB Online Services*, First Hawaiian Bank 40, <https://bit.ly/2KWMvTg> (last accessed Jan. 28, 2021).

33. Klein Bank similarly states in its online banking agreement:

[W]e will charge you an NSF/Overdraft Fee each time: (1) a Bill Payment (electronic or check) is submitted to us for payment from your Bill Payment Account when, at the time of posting, your Bill Payment Account is overdrawn, would be overdrawn if we paid the item (whether or not we in fact pay it) or does not have sufficient available funds; or (2) we return, reverse, or decline to pay an item for any other reason authorized by the terms and conditions governing your Bill Payment Account. **We will charge an NSF/Overdraft Fee as provided in this section regardless of the number of times an item is submitted or resubmitted to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the bill payment.**

(emphasis added) *Consumer Account Terms and Conditions*, Klein Bank 4 (Jan. 2013), <https://bit.ly/2KVCKhI>.

34. Central Pacific Bank, a leading bank in Hawai'i, states in its deposit account under the "MULTIPLE NSF FEES" subsection:

Items and transactions (such as, for example, checks and electronic transactions/payments) returned unpaid due to insufficient/non-sufficient funds ("NSF") in your account, may be resubmitted one or more times for payment, and a returned item/transaction fee will be imposed on you each time an item and transaction resubmitted for payment is returned due to insufficient/non-sufficient funds.

Miscellaneous Fee Schedule, Central Pacific Bank 1 (Jan. 4, 2021), <https://www.cpb.bank/media/2776/fee-001.pdf> (last accessed June 4, 2021).

35. BP Credit Union likewise states: "We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item." *Membership and Account Agreement*, BP Federal Credit Union, ¶ 14(a), <https://www.bpfcu.org/images/docs/membership-agreement.pdf> (last accessed June 4, 2021).

36. Regions Bank likewise states:

If an item is presented for payment on your account at a time when there is an insufficient balance of available funds in your account to pay the item in full, you agree to pay us our charge for items drawn against insufficient or unavailable funds, whether or not we pay the item. If any item is presented again after having previously been returned unpaid by us, you agree to pay this charge for each time the item is presented for payment and the balance of available funds in your account is insufficient to pay the item.

Deposit Agreement, Regions Bank 18 (2018), <https://bit.ly/2L0vx6A> (last accessed June 4, 2021).

37. Andrews Federal Credit Union states:

You understand and agree that a merchant or other entity may make multiple attempts to resubmit a returned item for payment. Consequently, because we may charge a service fee for an NSF item each time it is presented, we may charge you more than one service fee for any given item. Therefore, multiple fees may be charged to you as a result of a returned item and resubmission regardless of the number of times an item is submitted or resubmitted to use for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the item.

When we charge a fee for NSF items, the charge reduces the available balance in your account and may put your account into (or further into) overdraft.

Terms & Conditions, Andrews Federal Credit Union 17 (Aug. 2020), ¶ 6, <https://bit.ly/3iXEdHb> (last accessed June 4, 2021).

38. Consumers Credit Union states:

Consequently, because we may charge a service fee for an NSF item each time it is presented, we may charge you more than one service fee for any given item. Therefore, multiple fees may be charged to you as a result of a returned item and resubmission regardless of the number of times an item is submitted or resubmitted to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the item.

Member Services Guide, Consumers Credit Union 5 (Apr. 2020), ¶ 11a, <https://bit.ly/3iVM1ta> (last accessed June 4, 2021).

39. Wright Patt Credit Union states:

Consequently, because we may charge a service fee for an NSF item each time it is presented, we may charge you more than one service fee for any given item. Therefore, multiple fees may be charged to you as a result of a returned item and represented regardless of the number of times an item is presented or represented to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the item.

Important Account Information, Wright Patt Credit Union 13 (July 2020), ¶ 6.1, (last accessed June 4, 2021).

40. Railroad & Industrial Federal Credit Union states:

Consequently, because we may charge an NSF fee for an NSF item each time it is presented, we may charge you more than one NSF fee for any given item. Therefore, multiple fees may be charged to you as a result of a returned item and resubmitted to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the item.

Important Account Information for Our Members, Railroad & Industrial Federal Credit Union, p. 2, (Aug. 1, 2019), <https://bit.ly/3t5ehhF> (last accessed June 4, 2021).

41. Partners 1st Federal Credit Union states:

Consequently, because we may charge a fee for an NSF item each time it is presented, we may charge you more than one fee for any given item. Therefore, multiple fees may be charged to you as a result of a returned item and resubmission regardless of the number of times an item is submitted or resubmitted to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the item.

Consumer Membership & Account Agreement, Partners 1st Federal Credit Union, p. 11 (Sept. 15, 2019), <https://bit.ly/39pDZWb> (last accessed March 2, 2021).

42. Members First Credit Union states:

We reserve the right to charge an Non-Sufficient Funds Fee (NSF Fee) each time a transaction is presented if your account does not have sufficient funds to cover the transaction at the time of presentment and we decline the transaction for that reason. **This means that a transaction may incur more than one Non-Sufficient Funds Fee (NSF Fee) if it is presented more than once . . .** we reserve the right to charge a Non-Sufficient Funds (NSF Fee) for both the original presentment and the representment[.]

Membership and Account Agreement, Members First Credit Union of Florida 3, <https://bit.ly/39rRJ2Y> (last accessed March 2, 2021).

43. Community Bank, N.A. states:

We cannot dictate whether or not (or how many times) a merchant will submit a previously presented item. You may be charged more than one Overdraft or NSF Fee if a merchant submits a single transaction multiple times after it has been rejected or returned.

Overdraft and Unavailable Funds Practices Disclosure, Community Bank 5 (Nov. 12, 2019), <https://bit.ly/3iY9dH2> (last accessed June 4, 2021).

44. RBC Bank states:

We may also charge against the Account an NSF fee for each item returned or rejected, including for multiple returns or rejections of the same item.

Service Agreement for Personal Accounts, RBC Bank 13 (Sept. 17, 2014), <https://bit.ly/3otUtko> (last accessed June 4, 2021).

45. Diamond Lakes Credit Union states,

Your account may be subject to a fee for each item regardless of whether we pay or return the item. We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

Membership and Account Agreement, Diamond Lakes Federal Credit Union, <https://bit.ly/39o2P94> (last accessed June 4, 2021).

46. Parkside Credit Union states,

If the Credit Union returns the item, you will be assessed an NSF Fee. Note that the Credit Union has no control over how many times an intended payee may resubmit the same check or other item to us for payment. In the event the same check or other item is presented for payment on more than one occasion, your account will be subject to an additional charge on each occasion that the item is presented for payment. There is no limit to the total fees the Credit Union may charge you for overdrawing your account.

Membership and Account Agreement, Parkside Credit Union 21 (Jan. 30, 2020), <https://bit.ly/3aaXfpG> (last accessed March 2, 2021).

47. SCUCU provided no such disclosure until recently, and by not doing so, deceived its accountholders.

C. The Imposition of Multiple Fees on a Single Transaction Breaches SCUCU's Duty of Good Faith and Fair Dealing.

48. Parties to a contract are required not only to adhere to the express conditions in the contract, but also to act in good faith when they are vested with a discretionary power over the other party. Further, as to bank transactions, the Uniform Commercial Code ("UCC")—which has been adopted by all states—mandates good faith and fair dealing. As such, when a party such as SCUCU gives itself discretion to act, the party with discretion is required to exercise that power and discretion in good faith. This creates an implied promise to act in accordance with the parties' reasonable expectations and means that SCUCU is prohibited from exercising its discretion to enrich itself and gouge its members. Indeed, SCUCU has a duty to honor transaction requests in a

way that is fair to Plaintiff and its other member and is prohibited from exercising its discretion to pile on ever greater penalties.

49. Here—in the adhesion agreements SCUCU foisted on Plaintiff and its other members—SCUCU has provided itself numerous discretionary powers affecting member’s credit union accounts. But instead of exercising that discretion in good faith and consistent with consumers’ reasonable expectations, SCUCU abuses that discretion to take money out of consumers’ accounts without their permission and contrary to their reasonable expectation that they will not be charged multiple fees for the same transaction.

50. SCUCU exercises its discretion in its own favor—and to the prejudice of Plaintiff and its other members—when it defines “item” in a way that directly leads to more fees. Further, SCUCU abuses the power it has over members and their credit union accounts and acts contrary to their reasonable expectations under the Account Documents. This is a breach of SCUCU’s implied covenant to engage in fair dealing and act in good faith.

51. It was bad faith and entirely outside Plaintiff’s reasonable expectations for SCUCU to use its discretion to assess multiple fees for a single attempted payment.

II. SCUCU CHARGES OD FEES ON TRANSACTIONS THAT DO NOT ACTUALLY OVERDRAW THE ACCOUNT.

A. Overview of a Debit Transaction

52. SCUCU issues debit cards to its checking accountholders, including Plaintiff, which allow its members to have electronic access to their checking accounts for purchases, payments, withdrawals, and other electronic debit transactions.

53. Pursuant to its Account Documents, SCUCU charges fees for transactions that purportedly result in an overdraft.

54. Plaintiff brings this cause of action challenging SCUCU's practice of charging OD Fees on "Authorize Positive, Purportedly Settle Negative Transactions" ("APPSN Transactions").

55. A debit card transaction occurs in two parts. First, when a merchant physically or virtually "swipes" a member's debit card, the credit card terminal connects, via an intermediary, to SCUCU, which verifies that the member's account is valid and that sufficient available funds exist to cover the transaction amount.

56. To determine whether sufficient funds exist, SCUCU maintains a running account balance tracking funds accountholders have for immediate use. This running account balance is adjusted, in real time, to account for debit card transactions when they are made. When a member makes a purchase with a debit card, SCUCU sequesters the funds needed to pay for the transaction, subtracting the dollar amount of the transaction from the member's available balance. Such funds are not available for any other use by the accountholder, and such funds are specifically held for when the given debit card transaction settles.

57. If the account balance shows that there are sufficient funds in an account, the transaction is instantaneously approved.

58. Second, SCUCU immediately reduces the funds from the accountholder's account and sequesters funds in the amount of the transaction but does not yet transfer the funds to the merchant.

59. The entire purpose of the immediate debit and hold of positive funds is to ensure that there are enough funds in the account to pay the transaction when it settles, as discussed in the Federal Register notice announcing revisions to certain provisions of the Truth in Lending Act regulations:

When a consumer uses a debit card to make a purchase, a hold may be placed on funds in the consumer's account to ensure that the consumer has sufficient funds in

the account when the transaction is presented for settlement. This is commonly referred to as a “debit hold.” During the time the debit hold remains in place, which may be up to three days after authorization, those funds may be unavailable for the consumer’s use for other transactions.

Federal Reserve Board, Office of Thrift Supervision, and National Bank Administration, Unfair or Deceptive Acts or Practices, 74 FR 5498-01 (Jan. 29, 2009).

60. Sometime thereafter, the funds are actually transferred from the customer’s account to the merchant’s account.

61. SCUCU (like all banks and credit unions) decides whether to “pay” debit card transactions at authorization. Once SCUCU authorizes a transaction, SCUCU is obligated to pay the transaction no matter what. When the time comes to actually settle the transaction and transfer the funds to the merchant’s account, it is too late—the financial institution has no discretion and must pay the charge. This “must pay” rule applies industry wide and requires that, once a financial institution authorizes a debit card transaction, it “must pay” it when the merchant later makes a demand, regardless of other account activity. *See* Electronic Fund Transfers, 74 Fed. Reg. 59033-01, 59046 (Nov. 17, 2009).

62. Even though the merchant is not paid right away, there is no change—no impact whatsoever—to the available funds in an account when the funds are actually transferred to the merchant because a hold was already placed on the funds, removing them from the available balance.

63. Despite placing a hold on those funds, rendering them off-limits for later transactions, SCUCU improperly charges OD Fees on those APPSN Transactions, even though the APPSN Transactions *always* have sufficient available funds to be covered by virtue of the hold placed on them.

64. Besides being unfair and unjust, these practices breach contractual promises made in SCUCU’s adhesion contracts—contracts that fail to inform accountholders about the true nature of SCUCU’s processes and practices. Further, SCUCU lacks any discretion to apply OD Fees to APPSN Transactions.

65. In short, SCUCU is not authorized by contract to charge OD Fees on transactions that have not overdrawn an account, but it has done so and continues to do so.

B. SCUCU’s Account Contract

66. Plaintiff has a checking account with SCUCU, which is governed by SCUCU’s standardized Account Documents, including Defendant’s *Terms and Conditions of Your Account* (“Account Agreement”).

67. The Account Agreement promises that an overdraft only occurs if an accountholder does not have enough funds in the account, with Defendant reserving discretion on whether to pay an overdraft and to charge an OD Fee:

Transactions That May Result in an Overdraft: An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

1. You write a check, use your debit card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account;
2. You deposit a check or other item into your account which is returned unpaid, and the amount is deducted from your account balance;
3. You have inadequate funds in your account when we assess a fee or service charge; or
4. You initiate a transaction before funds deposited into your account are “available” or “finally paid” according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to several days after you deposit the check. If you do not have sufficient funds in your account — independent of the check — to cover the transaction, you will incur an overdraft.

Transactions That Are Covered by the OPS Program: The general OPS program applies to only certain types of transactions, including checks, other transactions made using your checking account number, automatic bill payments,

and preauthorized, recurring transactions made with your debit card. ***The OPS program does not automatically include ATM transactions and everyday (one-time) debit card transactions.*** We will not include ATM and everyday debit card transactions within our OPS program without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid.

[...]

As noted above, we retain full discretion to decline to pay any item under the OPS program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft under the OPS program, your transaction will be declined and we may assess non-sufficient funds (NSF) fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft. We post transactions, whether deposits or withdrawals (payments as described above) against your account balance in the order in which they are received by us, without regard to the type or amount of the transaction.

Fees: For each item we pay under OPS that results in an overdraft, we will charge the standard per item Overdraft Fee set forth in our Service Charge Schedule. However, absent your affirmative consent to do so, if we inadvertently pay an ATM or everyday debit card transaction, causing an overdraft, we will not charge a fee. We will not charge for more than five items in any one day, and an insufficient funds fee will not be assessed on items less than \$5.01. We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts, including our fees, are due and payable immediately or on demand.

Ex. A, pp. 8-9.

68. Defendant's Account Agreement defines transactions as overdraft transactions only when an account does not contain sufficient funds to cover a transaction.

69. In other words, a transaction that is authorized with a positive account balance should not incur an overdraft fee because there is enough money in the account to cover the transaction. Not only that, but when SCUCU authorizes a transaction with a positive balance, it places a hold on the funds needed for the transaction, making those funds unavailable for use in later transactions. It follows that those same funds are then used to settle or pay the transaction.

70. However, SCUCU’s actual practice is to assess the same debit card transaction twice to determine if the transaction overdraws an account—both at the time a transaction is authorized and later at the time of settlement.

71. More specifically, the moment a debit card transaction is getting ready to settle SCUCU does something new and unexpected, during the middle of the night, during its nightly batch posting process. Specifically, SCUCU releases the hold placed on the funds for the transaction for a split second, putting money back into the account, then re-debits the same transaction a second time.

72. This secret step allows SCUCU to charge OD Fees on transactions that never should have caused an overdraft—transactions that were authorized with sufficient funds and for which SCUCU specifically set aside money to pay.

73. Indeed, the Consumer Financial Protection Bureau (“CFPB”) has expressed concern with this very issue, flatly calling the practice “deceptive” when:

A financial institution authorized an electronic transaction, which reduced a customer’s available balance but did not result in an overdraft at the time of authorization; settlement of a subsequent unrelated transaction that further lowered the customer’s available balance and pushed the account into overdraft status; and when the original electronic transaction was later presented for settlement, because of the intervening transaction and overdraft fee, the electronic transaction also posted as an overdraft and an additional overdraft fee was charged. Because such fees caused harm to consumers, one or more supervised entities were found to have acted unfairly when they charged fees in the manner described above. Consumers likely had no reason to anticipate this practice, which was not appropriately disclosed. They therefore could not reasonably avoid incurring the overdraft fees charged. Consistent with the deception findings summarized above, examiners found that the failure to properly disclose the practice of charging overdraft fees in these circumstances was deceptive. At one or more institutions, examiners found deceptive practices relating to the disclosure of overdraft processing logic for electronic transactions. Examiners noted that these disclosures created a misimpression that the institutions would not charge an overdraft fee with respect to an electronic transaction if the authorization of the transaction did not push the customer’s available balance into overdraft status. But the institutions assessed overdraft fees for electronic transactions in a manner inconsistent with the overall

net impression created by the disclosures. Examiners therefore concluded that the disclosures were misleading or likely to mislead, and because such misimpressions could be material to a reasonable consumer's decision-making and actions, examiners found the practice to be deceptive. Furthermore, because consumers were substantially injured or likely to be so injured by overdraft fees assessed contrary to the overall net impression created by the disclosures (in a manner not outweighed by countervailing benefits to consumers or competition), and because consumers could not reasonably avoid the fees (given the misimpressions created by the disclosures), the practice of assessing fees under these circumstances was found to be unfair.

Consumer Financial Protection Bureau, Winter 2015 "Supervisory Highlights."

74. This conduct is a breach of SCUCU's Account Agreement.

75. First, the Account Agreement never discloses that SCUCU will charge members OD fees on transactions approved with a positive balance. Second, SCUCU also does not disclose, that contrary to reasonable expectation, SCUCU will re-deposit sequestered funds into an account and re-assess whether an overdraft fee is due prior to settling a previously authorized transaction. Finally, the Account Agreement does not disclose SCUCU's internal policy allowing them to manipulate the settlement process to justify an OD Fee.

76. This discrepancy between SCUCU's actual practices and the contract causes accountholders to incur more OD Fees than they should. In fact, accountholders could have never even expected to have an overdraft, because they initiated the transaction with enough funds.

C. SCUCU Abuses Contractual Discretion

77. In addition to breaching the express terms of the Account Documents, SCUCU's practice of charging overdraft fees on APPSN Transactions falls outside of any contractual discretion it has with respect to payment of overdrafts.

78. SCUCU reserves discretion to pay overdrafts and to assess an OD Fee when it pays an overdraft. That discretion extends to SCUCU's decision as to whether to pay an overdraft at the time that SCUCU is asked to authorize a transaction.

79. SCUCU's discretion to approve overdrafts does not extend to imposing OD Fees on transactions that never overdrew an account in the first place. SCUCU thus abuses its contractual discretion by approving debit transactions made on a positive balance, driving down the account balance, and then momentarily depositing and withdrawing the requested funds to falsely claim that the account had an insufficient balance for the original transaction.

80. SCUCU uses its contractual discretion unfairly to extract OD Fees on transactions that no reasonable accountholder would believe could cause OD Fees.

D. Reasonable Accountholders Understand Debit Card/POS Transactions Are Debited Immediately

81. The assessment of OD Fees on APPSN Transactions is fundamentally inconsistent with an accountholder's reasonable expectation that they will only be charged OD Fees on transactions that overdraw their account at the time that they are authorized. When an accountholder initiates what later becomes an APPSN Transaction, their available balance displayed on an app, website, or ATM tells them that they have sufficient available funds for the transaction. Accountholders know that SCUCU will place a hold on the funds needed for the transaction and reduce their available balance rendering those funds unavailable. They expect that those same funds will be applied to settle the debit card transactions for which they are debited. Otherwise, there would be no purpose of the immediate debit and hold for transactions. SCUCU was and is aware that this is precisely how accountholders reasonably understand such transactions to work.

82. Defendant also knows that many accountholders use debit cards as a budgeting device because they prevent the accountholder from running up debts and because the money comes directly out of a checking account so that the accountholder cannot spend money that they do not have.

83. Further, Consumer Action, a national nonprofit consumer education and advocacy organization, advises consumers determining whether they should use a debit card that “[t]here is no grace period on debit card purchases the way there is on credit card purchases; the money is immediately deducted from your checking account. Also, when you use a debit card you lose the one or two days of ‘float’ time that a check usually takes to clear.” *What Do I Need to Know About Using a Debit Card?*, Consumer Action (Jan. 14, 2019), https://www.consumer-action.org/helpdesk/articles/what_do_i_need_to_know_about_using_a_debit_card (last visited June 4, 2021).

84. Further, Consumer Action informs consumers that “Debit cards offer the convenience of paying with plastic without the risk of overspending. When you use a debit card, you do not get a monthly bill. You also avoid the finance charges and debt that can come with a credit card if not paid off in full.” *Understanding Debit Cards*, Consumer Action, http://www.consumer-action.org/english/articles/understanding_debit_cards (last visited June 4, 2021).

85. This understanding is a large part of the reason that debit cards have risen in popularity. The number of terminals that accept debit cards in the United States increased by approximately 1.4 million in a recent five-year period and, with that increasing ubiquity, consumers have viewed debit cards “as a more convenient option than refilling their wallets with cash from an ATM.” Maria LaMagna, *Debit Cards Gaining on Case for Smallest Purchases*, MarketWatch, Mar. 23, 2016, <http://www.marketwatch.com/story/morepeople-are-using-debit-cards-to-buy-a-pack-of-gum-2016-03-23>.

86. Not only have accountholders increasingly transitioned from cash to debit cards, but they believe that a debit card purchase is the fundamental equivalent of a cash purchase, with the swipe of a card equating to handing over cash, permanently and irreversibly.

SCUCU was aware of accountholder perception that debit transactions reduce an account's available balance *at a specified time*—namely, the moment they are actually initiated—and its account agreement only supports this perception.

E. Plaintiff's Experience

87. As an example, in May 2019, Plaintiff was assessed OD Fees in the amount of \$32 for a debit card transaction that settled that day, despite the fact that positive funds were previously sequestered for the transaction. At the time the funds were sequestered, Plaintiff had a positive balance, which would not have caused an OD Fee.

CLASS ACTION ALLEGATIONS

88. Plaintiff brings this class action on behalf of herself, and all others similarly situated pursuant to Rule 23 of the Federal Rules of Civil Procedure. This action satisfies the numerosity, commonality, typicality, adequacy, predominance and superiority requirements of Rule 23. The proposed classes are defined as:

All SCUCU accountholders who, during the applicable statute of limitations, were charged OD Fees on debit card transactions that were authorized into a positive available balance ("APPSN class").

All SCUCU accountholders who, during the applicable statute of limitations, were charged multiple NSF Fees or OD Fees on the same item ("Multiple Fee class").

Plaintiff also brings their claims on behalf of Subclasses of Massachusetts accountholders with the subclasses to be defined as follows:

All Massachusetts citizens who, during the applicable statute of limitations, were SCUCU checking account holders and charged an OD Fee on debit card transactions that were authorized into a positive available balance ("Massachusetts

APPSN Class”).

All Massachusetts citizens who, during the applicable statute of limitations, were SCUCU checking account holders and charged multiple NSF Fees or OD Fees on the same item (“Massachusetts Multiple Fee Class”).

89. Excluded from the Classes are Defendant, Defendant’s subsidiaries and affiliates, their officers, directors and member of their immediate families and any entity in which Defendant has a controlling interest, the legal representatives, heirs, successors or assigns of any such excluded party, all members who make a timely election to be excluded; governmental entities; and all judges assigned to hear any aspect of this litigation, their immediate family members, and chambers staff.

90. Plaintiff reserves the right to modify or amend the definition of the proposed Classes, including by adding subclass(es), before this Court determines whether certification is appropriate.

91. The questions here are ones of common or general interest such that there is a well-defined community of interest among the members of the Classes. These questions predominate over questions that may affect only individual class members because SCUCU has acted on grounds generally applicable to the class. Such common legal or factual questions include, but are not limited to:

92. These common legal and factual questions, which do not vary from Class member to Class member, and which may be determined without reference to the individual circumstances of any Class member include, but are not limited to, the following:

- a. Whether SCUCU charged OD Fees on transactions that were authorized into a positive available balance;
- b. Whether SCUCU breached its own contract by charging OD Fees on transactions

that were authorized into a positive available balance;

- c. Whether SCUCU charged multiple fees on the same item;
- d. Whether SCUCU breached its own contract by charging multiple fees on the same item.
- e. Whether SCUCU breached the covenant of good faith and fair dealing;
- f. Whether SCUCU engaged in unfair and deceptive acts and practices relating to the imposition of OD Fees, in violation of G.L. c. 93A, §§ 2 and 9;
- g. The proper method or methods by which to measure damages; and
- h. The declaratory and injunctive relief to which the proposed Classes are entitled.

93. There are common answers to these questions such that they can be answered in one fell swoop with respect to all Class members.

94. Plaintiff's claims are typical of the claims of the members of the Classes as they arise from the same core practices, namely, SCUCU charging multiple fees on the same item and OD Fees on APPSN Transactions in breach of its contracts with Plaintiff and the putative Class members. The material facts underlying the claims of each putative Class member are the same material facts supporting Plaintiff's claims. Plaintiff and the other Class members have sustained injuries from, and are facing harm arising out of, SCUCU's common course of conduct as complained of herein. The losses of each Class member were caused directly by SCUCU's wrongful conduct as alleged herein.

95. Plaintiff will fairly and adequately represent and protect the interests of the Classes as they arise from the same core practices. By proving her individual claims, Plaintiff will necessarily prove the claims of the Classes and prove SCUCU's liability to the Classes. Plaintiff has no known conflicts of interest with any members of the Classes; her interests and claims are

not antagonistic to those of any other Class members; and her claims are not subject to any unique defenses.

96. Plaintiff has retained counsel with substantial experience in prosecuting complex class action litigation, including complex consumer class actions, both within and outside Massachusetts. Plaintiff and her counsel are committed to vigorously prosecuting this action on behalf of the Classes and have the financial resources to do so.

97. As alleged above with respect to the commonality requirement, SCUCU's conduct toward Plaintiff and the Classes raises common questions of law and fact that predominate over any questions affecting only individual members of the Classes, as SCUCU improperly and regularly charges multiple fees on the same item, and OD Fees on APPSN Transactions. Plaintiff and the members of the Classes suffered, and will continue to suffer, harm as a result of SCUCU's unlawful and wrongful conduct.

98. A class action is superior to other available methods for the fair and efficient adjudication of the present controversy. Because the Classes encompass thousands of claims, a single class action is more efficient than thousands of individual actions, each requiring the same discovery and proof. Given the relatively small amount of claims of each Class member, it is likely that absent class representation, such claims will not be brought, and the Classes will never have appropriate redress for SCUCU's improper conduct.

99. Even if individual Class members had the resources to pursue individual litigation, it would be unduly burdensome to the courts where the individual litigation would proceed. Individual litigation magnifies the delay and expense to all parties in the court system. The class action device allows a single court to provide the benefits of unitary adjudication, judicial economy, and the fair and equitable handling of all Class members' claims in a single forum. The

conduct of this action as a class action conserves the resources of the parties and of the judicial system and protects the rights of the Class members.

100. Class treatment ensures uniformity and consistency in results, enables the many small claims of Class members as well as claims for class-wide declaratory relief to be brought efficiently, and will provide relief to Class members for their past and future injuries. It will also deter SCUCU from engaging in such wrongful conduct in the future.

101. There are no unusual difficulties likely to be encountered in the maintenance of this action as a class action suit, as this Court can effectively manage the class action.

102. More specifically, the Classes are not so large that it would be unmanageable, and no difficulties are foreseen providing notice to individual claimants because SCUCU keeps records of member accounts during the class period, including records of members to whom it charged multiple fees and OD Fees on APPSN Transactions. Therefore, both the membership of the Classes and the amount of individual damages are readily ascertainable from SCUCU's records.

103. Thus, a class action is superior and more efficient to other available methods for the fair and efficient adjudication of this controversy. Indeed, unless the Classes are certified, SCUCU will continue to unlawfully charge multiple fees on the same item and OD Fees on APPSN Transactions.

104. Class action treatment is proper, and this action should be maintained as a class action because the risks of separate actions by individual members of the Classes would create a risk of: (a) inconsistent or varying adjudications with respect to individual Class members which would establish incompatible standards of conduct for SCUCU as the party opposing the Classes; and/or (b) adjudications with respect to individual Class members would, as a practical

matter, be dispositive of the interests of other Class members not party to the adjudication or would substantially impair or impede their ability to protect their interests.

105. SCUCU, as the party opposing the Classes, has acted or refused to act on grounds generally applicable to the Classes, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Classes as a whole.

COUNT I
Breach of Contract, Including the Covenant of Good Faith and Fair Dealing
(On behalf of Plaintiff and the Classes)

106. The preceding allegations are incorporated by reference and re-alleged as if fully set forth herein.

107. Plaintiff and SCUCU have contracted for credit union account deposit, checking, ATM, and debit card services. The contract does not permit SCUCU to charge multiple fees on the same item or OD Fees on APPSN Transactions.

108. In breach of its Account Documents, Defendant charged multiple fees on the same item.

109. In breach of its Account Documents, Defendant charged OD Fees on transactions that were authorized on a positive balance and did not overdraw an account.

110. Defendant's breach has caused Plaintiff and the Classes to incur additional NSF and OD Fees that were never disclosed nor agreed to in the Account Documents.

111. Further, there exists an implied covenant of good faith and fair dealing in all contracts that neither party shall do anything that will have the effect of destroying or injuring the right of the other party to receive the fruits of the contract. Good faith and fair dealing means preserving the spirit – not merely the letter – of the bargain. Put differently, the parties to a contract are mutually obligated to comply with the spirit of their contract in addition to its substance.

112. Failure to act in good faith may be overt or may consist of inaction, and fair dealing may require more than honesty. Examples of violations of good faith and fair dealing include evasion of the spirit of the bargain, willful rendering of imperfect performance, abuse of a power to specify terms, and interference with or failure to cooperate in the other party's performance.

113. SCUCU has breached the covenant of good faith and fair dealing and abused its discretion in its contract as described herein. Specifically, SCUCU had no discretion to charge multiple fees on the same item or OD Fees on transactions that were authorized on a positive available balance. SCUCU's discretion regarding payment of overdrafts did not include discretion to charge multiple fees on the same item or OD Fees in the absence of an overdraft.

114. Plaintiff and members of the Classes have performed all, or substantially all, of the obligations imposed on them under the contract.

115. Plaintiff and members of the Classes have sustained damages as a result of SCUCU's breach of the contract.

COUNT II

Violation of Massachusetts Consumer Protection Act, G.L. C. 93A (On Behalf of Plaintiff and the Massachusetts Subclasses)

116. Plaintiff incorporates by reference each of the allegations set forth in the preceding paragraphs.

117. This claim is asserted on behalf of Plaintiff and the members of the Massachusetts Subclasses under Massachusetts Consumer Protection Act, G.L. c. 93A, *et seq.*

118. The Massachusetts Consumer Protection Act declares unlawful any "unfair or deceptive acts or practices in the conduct of any trade or commerce." G.L. c. 93A, §2.

119. SCUCU's acts and practices were in and affected trade or commerce as defined by G.L. c. 93A, §1.

120. SCUCU engaged in unfair and deceptive acts and practices relating to the imposition of NSF and OD Fees, in violation of G.L. c. 93A, §§2 and 9. Specifically, SCUCU misrepresented its practice of charging multiple NSF Fees and OD Fees in its Account Documents.

121. SCUCU's acts and practices proximately caused injury to Plaintiff and the Massachusetts Subclasses, and they are entitled to, inter alia, damages, injunctive, and declaratory relief.

122. SCUCU's actions as detailed above were knowing or willful violations of Mass. Gen. Laws c. 93A, §§2 and 9, entitling Plaintiff and members of the Massachusetts Subclasses to an award of double or treble damages.

123. On December 9, 2022, before filing this Second Amended Complaint, Plaintiff sent a written demand for relief to Defendant. Defendant did not make a satisfactory response or reasonable offer of settlement.

124. Because of the unfair and deceptive acts and practices of SCUCU, on behalf of herself and the Massachusetts Subclasses, Plaintiff seeks actual damages, minimum statutory damages, double and treble damages, injunctive relief, and other such equitable relief as the Court finds necessary and proper, as well as reasonable attorneys' fees and costs under G.L. c. 93A, §9(3).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Suzanne Dos Santos Pais, individually and on behalf of the Classes, respectfully requests that the Court:

A. Issue an order certifying that this action may be maintained as a class action, that Plaintiff be appointed Class Representative and that Plaintiff's counsel be appointed Class Counsel;

B. Declare Defendant's NSF and OD fee policies and practices to be wrongful, unfair, and unconscionable;

C. Order Defendant to immediately cease the wrongful conduct set forth above and enjoin SCUCU from conducting business via the unlawful and unfair business acts and practices complained of herein;

D. Award restitution of all wrongfully charged NSF and OD Fees paid to Defendant by Plaintiff and members of the Classes as a result of the wrongs alleged herein in an amount to be determined at trial;

E. Award actual and exemplary damages in an amount to be determined at trial;

F. Award pre-judgment interest at the maximum rate permitted by applicable law;

G. Award costs and disbursements assessed by Plaintiff in connection with this action, including reasonable attorneys' fees pursuant to applicable law;

H. Award double and treble damages against Defendant for its knowing or willful violations of Massachusetts Consumer Protection Act, G.L. c. 93A §§ 2, 9; and

I. Grant such other relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff and all others similarly situated hereby demand trial by jury on all issues in this Class Action Complaint that are so triable.

Dated: November 27, 2024

Respectfully submitted,

/s/ Ellen Rappaport Tanowitz

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Attorneys for Plaintiff and the Proposed Class

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Suzanne Dos Santos Pais, on behalf of herself and all others similarly situated

(b) County of Residence of First Listed Plaintiff Plymouth
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Ellen Rappaport Tanowitz, Esq., Tanowitz Law Office,
P.C., 1340 Centre St, Newton, MA 02459 617-965-1130

DEFENDANTS

Sharon & Crescent United Credit Union

County of Residence of First Listed Defendant Plymouth
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

Christopher J. Valente, Esq., Peter W. Shanley, Esq.
K & L Gates, LLP, One Lincoln St, Boston, MA 02111, 617-551-0077

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input checked="" type="checkbox"/> 4 |
| Citizen of Another State | <input checked="" type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
12 USC 1332(d)(2) and (6)

Brief description of cause:

Consumer class action for improper assessment of overdraft fees and non-sufficient funds fees.

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

11/27/2024

/s/ Ellen Rappaport Tanowitz

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

1. Title of case (name of first party on each side only) Suzanne Dos Santos Pais, on behalf of herself and all others similarly situated v. Sharon & Crescent United Credit Union
2. Category in which the case belongs based upon the numbered nature of suit code listed on the civil cover sheet. (See local rule 40.1(a)(1)).
- ☐ I. 160, 400, 410, 441, 535, 830*, 835*, 850, 880, 891, 893, R.23, REGARDLESS OF NATURE OF SUIT.
- ☒ II. 110, 130, 190, 196, 370, 375, 376, 440, 442, 443, 445, 446, 448, 470, 751, 820*, 840*, 895, 896, 899.
- ☐ III. 120, 140, 150, 151, 152, 153, 195, 210, 220, 230, 240, 245, 290, 310, 315, 320, 330, 340, 345, 350, 355, 360, 362, 365, 367, 368, 371, 380, 385, 422, 423, 430, 450, 460, 462, 463, 465, 480, 485, 490, 510, 530, 540, 550, 555, 560, 625, 690, 710, 720, 740, 790, 791, 861-865, 870, 871, 890, 950.
- *Also complete AO 120 or AO 121. for patent, trademark or copyright cases.
3. Title and number, if any, of related cases. (See local rule 40.1(g)). If more than one prior related case has been filed in this district please indicate the title and number of the first filed case in this court.
-
4. Has a prior action between the same parties and based on the same claim ever been filed in this court?
- YES ☐ NO ☒
5. Does the complaint in this case question the constitutionality of an act of congress affecting the public interest? (See 28 USC §2403)
- YES ☐ NO ☒
- If so, is the U.S.A. or an officer, agent or employee of the U.S. a party?
- YES ☐ NO ☒
6. Is this case required to be heard and determined by a district court of three judges pursuant to title 28 USC §2284?
- YES ☐ NO ☒
7. Do all of the parties in this action, excluding governmental agencies of the United States and the Commonwealth of Massachusetts ("governmental agencies"), residing in Massachusetts reside in the same division? - (See Local Rule 40.1(d)).
- YES ☐ NO ☒
- A. If yes, in which division do all of the non-governmental parties reside?
- Eastern Division ☐ Central Division ☐ Western Division ☐
- B. If no, in which division do the majority of the plaintiffs or the only parties, excluding governmental agencies, residing in Massachusetts reside?
- Eastern Division ☐ Central Division ☐ Western Division ☒
8. If filing a Notice of Removal - are there any motions pending in the state court requiring the attention of this Court? (If yes, submit a separate sheet identifying the motions)
- YES ☐ NO ☒

(PLEASE TYPE OR PRINT)

ATTORNEY'S NAME Ellen Rappaport Tanowitz, Esq., Tanowitz Law Office, P.C.ADDRESS 1340 Centre St, Suite 103, Newton, MA 02459TELEPHONE NO. 617-965-1130



IMPORTANT ACCOUNT INFORMATION FOR OUR MEMBERS

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TERMS AND CONDITIONS OF YOUR ACCOUNT

USA PATRIOT ACT

Important Information About Procedures for Opening a New Account:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. These procedures are mandated under Section 326 of the USA Patriot Act and pursuant to the provisions of the Bank Secrecy Act.

What this means for you:

When you open an account, we will ask for your name, address, telephone number, date of birth, Social Security number, employer, driver's license number or picture ID. We may also ask to see a copy of these identifying documents.

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of Massachusetts and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular.

BYLAWS - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

LIABILITY - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

DEPOSITS - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

WITHDRAWALS -

Generally - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated checks - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and withdrawal rules - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

Cash withdrawals - We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

Multiple signatures, electronic check conversion, and similar transactions - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

UNDERSTANDING AND AVOIDING OVERDRAFT AND NONSUFFICIENT FUNDS (NSF) FEES -

Generally - The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or an NSF fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If you use our Overdraft Privilege Service and we cover a transaction for which there is not enough money in your account to pay, we will consider that an overdraft. We treat all other transactions for which there is not enough money in your account as an NSF transaction, regardless of whether we cover the transaction or the transaction is rejected.

Determining your available balance - We use the "available balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your "available" balance may not be the same as your account's "actual" balance. This means an overdraft or an NSF transaction could occur regardless of your account's actual balance.

Your account's actual balance (sometimes called the ledger balance) only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The actual balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the ledger balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes transactions that have been authorized, but not yet settled, and subtracts them from the actual balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from the actual balance. For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A temporary debit authorization hold affects your account balance."

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Nonsufficient funds (NSF) fees - If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you an NSF fee for returning the payment. Be aware that such an item or payment may be presented multiple times and that we do not monitor or control the number of times a transaction is presented for payment. You agree that we may charge you an NSF fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented.

Payment types - Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment order of items" subsection below.

Balance information - Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Funds availability - Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see our funds availability disclosure for information on when different types of deposits will be made available for withdrawal. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

A temporary debit authorization hold affects your account balance - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Payment order of items - This describes the posting order for purposes of determining overdrafts. Our general policy is to post items throughout the day and to post credits before debits. Paper checks are posted in check number order, while ATM and debit card transactions are posted in the order in which the items are received. ACH items are posted in the following order when they are received: ACH credits, followed by ACH debits and if multiple ACH debits are received at the same time, from lowest to highest dollar amount. However, because of the many ways we allow you to access your account, the posting order of individual items may differ from these general policies. Holds on funds and the order in which transactions are received and processed may impact the total amount of fees assessed. Holds on funds and the order in which transactions are posted may impact the total amount of Overdraft Privilege Service or Non-Sufficient Funds fees assessed.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership on any or all of our accounts. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - is an account in the name of one person.

Joint Account - With Survivorship (And Not As Tenants In Common) - is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

Revocable Trust Account - One or two of you (called trustees) may create such an account in trust for another. Payments may be made to the trustee, or if there are two trustees, to either or both of the trustees or the survivor. Upon the death of the trustee or the death of both trustees, payment may be made to the person for whom the trust was made, or that person's legal representative.

BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

STOP PAYMENTS - The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee. You may stop payment on any item drawn on your account whether you sign the item or not. Generally, if your stop-payment order is given to us in writing it is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if you do not confirm your order in writing within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

TELEPHONE TRANSFERS - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing.

AMENDMENTS AND TERMINATION - We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items and charges to be paid from the account. Only a joint tenant that is a member can close an account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. At our option, we may suspend your rights to member services if you violate the terms of this agreement. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

NOTICES - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you is notice to all of you.

STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your duty to report other errors or problems - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors relating to electronic fund transfers or substitute checks - For information on errors relating to electronic fund transfers (e.g., on-line, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

Duty to notify if statement not received - You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft.

ACCOUNT TRANSFER - This account may not be transferred or assigned without our prior written consent.

DIRECT DEPOSITS - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

RIGHT TO REPAYMENT OF INDEBTEDNESS - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien.

Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

AUTHORIZED SIGNER (Individual Accounts only) - A single individual is the owner. The authorized signer is merely designated to conduct transactions on the owner's behalf. The owner does not give up any rights to act on the account, and the authorized signer may not in any manner affect the rights of the owner or beneficiaries, if any, other than by withdrawing funds from the account. The owner is responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on the owner's behalf.

The owner may terminate the authorization at any time, and the authorization is automatically terminated by the death of the owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

RESTRICTIVE LEGENDS OR INDORSEMENTS - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we will not honor any restrictive legend or indorsement or other special instruction placed on checks you write. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

PLEDGES - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

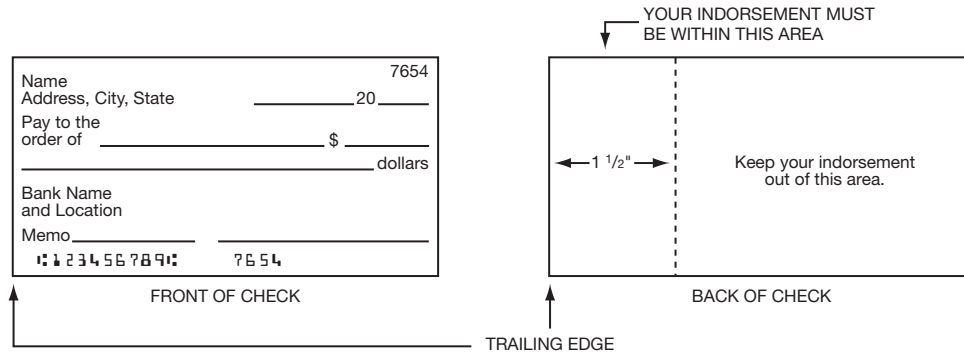
CHECK PROCESSING - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

CHECK CASHING - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

INDORSEMENTS - We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g. additional indorsements, ID information, driver's license number, etc.) must fall within 1½" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1½" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement or information you have printed on the back of the check obscures our indorsement.

These indorsement guidelines apply to both personal and business checks.

DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

FIDUCIARY ACCOUNTS - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

CREDIT VERIFICATION - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

ACCOUNT SECURITY -

Duty to protect account information and methods of access - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Positive pay and other fraud prevention services - Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue: a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

TELEPHONIC INSTRUCTIONS - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

MONITORING AND RECORDING TELEPHONE CALLS AND CONSENT TO RECEIVE COMMUNICATIONS - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. However, we first obtain your consent to contact you about your account in compliance with applicable consumer protection provisions in the federal Telephone Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- Your consent is limited to your account, and as authorized by applicable law and regulations.
- Your consent is voluntary and not conditioned on the purchase of any product or service from us.

With the above understandings, you authorize us to contact you regarding your account throughout its existence using any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

CLAIM OF LOSS - The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized

withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals) - We may impose early withdrawal penalties on a withdrawal from a time or term share account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by the enforcement of our right to repayment of indebtedness against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

ADDRESS OR NAME CHANGES - You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

RESOLVING ACCOUNT DISPUTES - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

WAIVER OF NOTICES - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

FACSIMILE SIGNATURES - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

UNLAWFUL INTERNET GAMBLING NOTICE - Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

Electronic Fund Transfers Initiated By Third Parties. You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit or withdrawal slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

- **Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your share draft or share savings account(s).
- **Payment Originations.** You may direct us to originate a funds transfer from another financial institution to pay your loan with us.
- **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your share draft account(s).
- **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

Telephone Banking Telephone Transfers - types of transfers, - You may access your account by telephone 24 hours a day at 1-508-559-5418 or 1-888-442-4944 using your personal identification number, a touch tone phone and your account numbers, to:

- transfer funds from share draft to share draft
- transfer funds from share draft to share statement savings
- transfer funds from share statement savings to share draft
- transfer funds from share statement savings to share statement savings
- transfer funds from line of credit to share draft
- transfer funds from line of credit to share statement savings
- make payments from share draft to loan accounts with us
- make payments from share statement savings to loan accounts with us

ATM Transfers - types of transfers and dollar limitations - You may access your account(s) by ATM using your ATM card and personal identification number or debit card and personal identification number, to:

- make deposits to share draft or share statement savings account(s)
- get cash withdrawals from share draft or share statement savings account(s)
 - you may withdraw no more than \$500.00 per day using your ATM Card and \$1,000.00 per day using your Debit Card
- transfer funds from share statement savings to share draft account(s)
- transfer funds from share draft to share statement savings account(s)
- get information about:
 - the account balance of your share draft or share savings accounts

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

Types of Debit Card Point-of-Sale Transactions - You may access your share draft account(s) to purchase goods (in person or by phone), pay for services (in person or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

Point-of-Sale Transactions - dollar limitations - Using your debit card:

- you may not exceed \$1,000.00 in transactions per day (if PIN required), \$2,500.00 (if PIN not required)

Currency Conversion and Cross-Border Transaction Fees. If you initiate a transaction with your Debit Card in a currency other than US Dollars, Mastercard will convert the charge into a US Dollar amount. The Mastercard currency conversion procedure is based on rates observed in the wholesale market or, where applicable, on government-mandated rates. The currency conversion rate Mastercard generally uses is the rate for the applicable currency that is in effect on the day the transaction occurred. However, in limited situations, particularly where Mastercard transaction processing is being delayed, Mastercard may instead use the rate for the applicable currency in effect on the day the transaction is processed.

Mastercard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) for performing the currency conversion. In addition, Mastercard charges us an Issuer Cross-Border Assessment of 90 basis points (.9% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .9%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction that occurs at a card acceptance location in a different country from the country in which the card was issued. This means a cross-border transaction can occur even though the transaction is made when you are not in a foreign country. For example, a transaction made online with a foreign merchant is a cross-border transaction even though made while you are physically in the United States.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

Online Banking Computer Transfers - types of transfers - You may access your account(s) by computer through the internet by logging onto our website at www.scucu.com and using your personal identification number and your account numbers, to:

- transfer funds from share draft to share draft or share statement savings
- transfer funds from share statement savings to share draft or share statement savings
- make payments from share draft or share statement savings to loan accounts with us
- make payments from share draft to third parties with Bill Payment services
- get information about:
 - the account balance of share draft or share savings accounts
 - deposits to share draft or share savings accounts
 - withdrawals from share draft or share savings accounts

Mobile Banking Transfers - types of transfers - You may access your account(s) through the browser on your cell or mobile phone at www.scucu.com, or through an available mobile device application (App), and using your user identification, password, and multifactor authentication, to:

- transfer funds from share draft to share draft
- transfer funds from share draft to share statement savings
- transfer funds from share statement savings to share draft
- transfer funds from share statement savings to share statement savings
- transfer funds from line of credit to share draft
- transfer funds from line of credit to share statement savings
- make payments from share draft to loan account(s) with us
- make payments from share draft to third parties with Bill Payment services
- make payments from share statement savings to loan account(s) with us

We reserve the right to at any time require no less than ninety days' notice in writing of the shareholder or depositor's intention to withdraw any or all of his shares.

FEES

- We do not charge for direct deposits to any type of account.

Except as indicated elsewhere, we do not charge for these electronic fund transfers.

ATM Operator/Network Fees. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

External Funds Transfer. We charge a fee for certain transfers initiated by you through Online Banking. Refer to our Schedule of Charges for a summary of these fees.

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 781-784-7725 to find out whether or not the deposit has been made.
- **Periodic statements.**

You will get a monthly account statement from us for your share draft accounts.

You will get a monthly account statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

Please refer to our separate fee schedule for the amount we will charge you for each stop-payment order you give.

- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

FINANCIAL INSTITUTION'S LIABILITY

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 will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or

- (3) in order to comply with government agency or court orders; or
 (4) by your written authorization which shall automatically expire 45 days after our receipt of your authorization.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose up to \$50 if someone used your card and/or code without your permission.

Also, if your statement shows transfers that you did not make, including those made by card, 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 the money you lost (up to \$50) after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period.

• **Additional Limits on Liability for Debit Card.** You will not be liable for any unauthorized transactions using your Debit Card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check or draft without your permission.

ERROR RESOLUTION NOTICE

In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed in this disclosure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number (if any).
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) 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 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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

You may ask for copies of the documents that we used in our investigation.

SHARON & CRESCENT UNITED CREDIT UNION

ATTN: E-SERVICES

30 POND STREET

SHARON, MASSACHUSETTS 02067

Business Days: Monday through Friday

Excluding Federal Holidays

Phone: 781-784-7725

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to all accounts.

Our policy is to make funds from your check deposits available to you on the second business day after the day we receive your deposit, with the first \$225 available on the first business day after the day of your deposit. Electronic direct deposits will be available on the day we receive the deposit. Cash, wire transfers, and some specified check deposits will also be available before the second business day, as detailed below. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

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

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 3:00 P.M. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 3:00 P.M. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Same-Day Availability

Funds from the following deposits to your account will be available on the day we receive the deposit.

Cash.

Electronic direct deposits.

Checks drawn on Sharon & Crescent United Credit Union.

U.S. Treasury checks that are payable to you.

State and local government checks that are payable to you.

Next-Day Availability

Funds from the following deposits are available on the first business day after the day of your deposit:

Wire transfers.

Cashier's, certified, and teller's checks that are payable to you.

Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits Subject to Second-Day Availability

The first \$225 from a deposit of other checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit.

For example, if you deposit a check of \$700 on a Monday, \$225 of the deposit is available on Tuesday. The remaining \$475 is available on Wednesday.

If we cash a check for you that is drawn on another bank, 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 check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, 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 elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than \$5,525 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

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

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 will be available on the ninth 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 \$5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we own or operate will be available in accordance with our published schedule, except that immediate availability items will be deferred to the next business day.

OVERDRAFT PRIVILEGE SERVICE

Sharon & Crescent Credit Union ("we, us or our") offers the Overdraft Privilege Service (OPS). If your account qualifies for OPS, we will consider, without obligation on our part, paying certain items for which your account has insufficient or unavailable funds, instead of automatically returning those items unpaid. This document explains how OPS operates.

Transactions That May Result in an Overdraft - An overdraft occurs when you do not have enough money in your account to cover a transaction. Although there are many reasons why your account might become overdrawn, most overdrafts result from the following:

- You write a check, use your debit card or initiate an electronic funds transfer in an amount that exceeds the amount of funds available in your account;
- You deposit a check or other item into your account which is returned unpaid, and the amount is deducted from your account balance;
- You have inadequate funds in your account when we assess a fee or service charge; or
- You initiate a transaction before funds deposited into your account are "available" or "finally paid" according to our Funds Availability Policy. For example, if you deposit a check into your account, the proceeds of that check may not be available to you for up to several days after you deposit the check. If you do not have sufficient funds in your account — independent of the check — to cover the transaction, you will incur an overdraft.

Transactions That Are Covered by the OPS Program: The general OPS program applies to only certain types of transactions, including checks, other transactions made using your checking account number, automatic bill payments, and preauthorized, recurring transactions made with your debit card. ***The OPS program does not automatically include ATM transactions and everyday (one-time) debit card transactions.*** We will not include ATM and everyday debit card transactions within our OPS program without first receiving your affirmative consent to do so. Absent your affirmative consent, ATM and everyday debit card transactions generally will not be paid.

Participation in OPS is not mandatory. When your account meets the eligibility requirements listed below, OPS will be made available to your account. You may opt-out of the service any time by notifying one of our Member Service Representatives. Furthermore, you may revoke your previous affirmative consent to have ATM and everyday debit card transactions considered for payment under OPS without removing other items from the service. Simply inform us of your preference.

As noted above, we retain full discretion to decline to pay any item under the OPS program. This means we can refuse to pay any overdraft for any reason. Even if we decide to pay an overdraft item, absent an agreement to the contrary, such payment does not create any duty to pay future overdrafts. If we do not authorize and pay an overdraft under the OPS program, your transaction will be declined and we may assess non-sufficient funds (NSF) fees on your account in accordance with your account agreement and the fee schedule in effect at the time of the overdraft. We post transactions, whether deposits or withdrawals (payments as described above) against your account balance in the order in which they are received by us, without regard to the type or amount of the transaction.

Fees: For each item we pay under OPS that results in an overdraft, we will charge the standard per item Overdraft Fee set forth in our Service Charge Schedule. However, absent your affirmative consent to do so, if we inadvertently pay an ATM or everyday debit card transaction, causing an overdraft, we will not charge a fee. We will not charge for more than five items in any one day, and an insufficient funds fee will not be assessed on items less than \$5.01. We will notify you by mail if we pay or return any insufficient or unavailable funds items on your account; however, we have no obligation to notify you before we pay or return any item. The amount of any overdrafts, including our fees, are due and payable immediately or on demand.

Accounts eligible for OPS: Checking accounts owned by natural persons age 18 or older and by businesses are generally eligible for OPS. OPS is a discretionary program and is generally limited to an \$800 overdraft (negative) balance for eligible accounts. Please note that per item overdraft fees count toward your OPS limit. We may, in our sole discretion, limit the number of accounts eligible for OPS to one account per household or per taxpayer identification number. Further, OPS is usually extended only to accounts in good standing. An account in good standing exhibits, but is not limited to, the following characteristics:

- The account has been open for at least thirty (30) days;
- The account has deposits totaling at least \$400 or more within each thirty (30) day period;
- The account demonstrates consistent deposit activity;
- The account owner is current on all loan obligations with us; and
- The account is not subject to any legal or administrative order or levy, such as bankruptcy or tax lien.
- Overdrafts are repaid promptly following each occurrence.

Other Forms of Overdraft: We offer other overdraft protection services in addition to OPS. **OPS is not a Line of Credit.** We do offer an **Overdraft Line of Credit** linked to your checking account and **Overdraft Transfer** linked from a savings account of yours with us to your checking account. (Overdraft Transfers from your savings account are limited under other terms of your account agreement.) If you apply and are approved for either one or both these optional services, you may save money on the total fees you pay us for overdraft protection services. Overdrafts should not be used to pay ordinary or routine expenses and you should not rely on overdrafts as a means to cover these expenses. If, at any time, you feel you need help with your financial obligations, please contact a Member Service Representative at 781-784-7725.

SUBSTITUTE CHECKS AND YOUR RIGHTS

As our member we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights.

What is a substitute check?

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

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

What are my rights regarding substitute checks?

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

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

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

Sharon & Crescent United Credit Union
30 Pond Street
Sharon, MA 02067

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

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

TRUTH-IN-SAVINGS DISCLOSURE

SHARE SAVINGS ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by credit union management.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$5.00.

You must maintain a minimum daily balance of \$5.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

MYHOLIDAY SAVINGS CLUB ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by credit union management.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$1.00.

You must maintain a minimum daily balance of \$1.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

For MyHoliday Savings Club account you may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party.

If any withdrawal is made from this account before the end of the Club term, then this account may be closed.

MYVACATION SAVINGS CLUB ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by credit union management.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$1.00.

You must maintain a minimum daily balance of \$1.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

For MyVacation Savings Club account you may not make any withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party.

If any withdrawal is made from this account before the end of the Club term, then this account may be closed.

SCU DIRECT SHARE SAVINGS ACCOUNT**Rate Information:**

The dividend rate and annual percentage yield may change at any time, as determined by credit union management.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$10.00.

You must maintain a minimum daily balance of \$10.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Qualifications for this account:

In addition to meeting the basic credit union membership requirements, to qualify for this account and earn the advertised dividend rate and APY, you must open and maintain a checking account. Checking accounts are fully disclosed in our Important Account Information disclosure. If you do not open or maintain a qualifying checking account, you are not eligible for this account. In addition to a qualifying checking account, you must also establish and maintain a preauthorized periodic transfer from your qualified checking account to this account as described below under Transaction limitations. If, for any reason, a preauthorized transfer cannot be completed on two consecutive transfer dates, you may be considered ineligible for this account. In this event, the balance in the account will be transferred to your qualifying checking account and this account will be closed.

Transaction limitations:

Your maximum initial deposit to this account is \$1,000.00. Subsequent deposits to this account may be made only by means of a preauthorized weekly or monthly transfer from your qualifying checking account. This preauthorized transfer must be established in writing on our approved form and must be a permanent order. The established transfer limits must meet the requirement of not less than \$10.00 and not more than \$1,000.00 per transfer. The transfer amount may be changed from time to time in accordance with the preceding guidelines. Withdrawals from this account may be made by you at any time and in any amount subject to the limitations* cited below. *Withdrawals from this account at an ATM are not permitted. Preauthorized withdrawals initiated to or by third parties from this account are not permitted. Preauthorized withdrawals from this account to cover non-sufficient funds in a credit union checking account are not permitted. Preauthorized withdrawals from this account to pay a loan at the credit union are not permitted. Other withdrawals from this account not initiated in person to a credit union employee, for example through Online Banking are subject to regulatory limitations.

Account limitations:

Availability of this account is limited to one account per individual member. The credit union will, however, permit a parent(s) to establish a joint or custodial SCU Direct account for each of their minor children to be funded from a single checking account. This account is not available under Individual Retirement Account (IRA), Business or Trust ownership.

MYMONEY MARKET ACCOUNT**Rate Information:**

The dividend rate and annual percentage yield may change at any time, as determined by credit union management. See separate Rate Sheet for tiered balances and rates.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$5.00.

You must maintain a minimum daily balance of \$5.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

MYPREMIUM MONEY MARKET ACCOUNT**Rate Information:**

The dividend rate and annual percentage yield may change at any time, as determined by credit union management. See separate Rate Sheet for tiered balances and rates.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$50,000.00.

You must maintain a minimum daily balance of \$50,000.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

MYFREE CHECKING ACCOUNT**Minimum balance requirements:**

The minimum balance required to open this account is \$5.00.

Transaction limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section.

MYGREEN CHECKING ACCOUNT**Minimum balance requirements:**

The minimum balance required to open this account is \$5.00.

Transaction limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Fees and charges:

A check written fee of \$1.00 will be charged for each check written and posted.

MYINTEREST CHECKING ACCOUNT**Rate Information:**

The dividend rate and annual percentage yield may change at any time, as determined by credit union management. See separate Rate Sheet for tiered balances and rates.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$5.00.

You must maintain a minimum daily balance of \$500.00 in your account to avoid a monthly service charge fee. If, during any month, your account balance falls below the required minimum daily balance, your account will be subject to a monthly service charge fee of \$5.00 for that month.

You must maintain a minimum daily balance of \$500.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section.

MYRELATIONSHIP CHECKING ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by credit union management. See separate Rate Sheet for tiered balances and rates.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$5.00.

You must maintain a minimum daily combined deposit and loan balance of \$10,000. If, during any month, your account balance falls below the required minimum daily combined balance, your account will be subject to a monthly service charge fee of \$10.00 for that month.

You must maintain a minimum daily balance of \$5.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

No transaction limitations apply to this account unless otherwise stated in the Common Features section.

Additional features -

- Basic check order free.
- Free Money Orders and Bank Checks.
- Discount of \$20.00 off an annual Safe Deposit Box fee. (Must set up for automatic payment of Safe Deposit Box fee).
- Bonus CD 0.25% APY rate (other than "specials") on new CDs and renewing CDs.
- \$250.00 off on the Credit Union's Mortgage Closing Costs.

IRA SHARE ACCOUNT

Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by credit union management.

Compounding and crediting - Dividends will be compounded every day. Dividends will be credited to your account every month.

Dividend period - For this account type, the dividend period is monthly, for example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

Minimum balance requirements:

The minimum balance required to open this account is \$5.00.

You must maintain a minimum daily balance of \$5.00 in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

For IRA Share account you may not make any withdrawals or transfers to another credit union account of yours by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, or similar order to a third party.

TERM SHARE CERTIFICATE

Rate Information - The dividend rate and annual percentage yield for your account are disclosed on the rate sheet. You will be paid this rate until first maturity. For the 36-month Stepped-Rate account only, the dividend rate and annual percentage yield (APY) for your account will be adjusted annually on the anniversary date of the opening of the account. The initial dividend rate and APY, and the dividend rate and APY for each successive one-year period are fixed for their respective periods and are disclosed on the Rate Sheet.

Compounding frequency - Unless otherwise paid, dividends will be compounded every month.

Crediting frequency - Dividends will be credited to your account every month. Alternatively, you may choose to have dividends paid to you or to another account every month rather than credited to this account.

Dividend period - For this account type, the dividend period is monthly.

Minimum balance requirements:

The minimum balance required to open this account is \$500.00 (\$250.00 if this is an IRA Term Share Certificate excluding 36-Month Stepped-Rate IRA).

You must maintain a minimum daily balance of \$500.00 (\$250.00 if this is an IRA Term Share Certificate excluding 36-Month Stepped-Rate IRA) in your account each day to obtain the disclosed annual percentage yield.

Daily balance computation method - Dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

Accrual of dividends on noncash deposits - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

Transaction limitations:

The minimum amount you can deposit is \$500.00 (\$250.00 if this is an IRA Term Share Certificate excluding 36-Month Stepped-Rate IRA).

For 36-Month Stepped-Rate accounts only, you may make an additional deposit to this account annually, during a seven day period beginning on and following the annual dividend rate adjustment date. Such additional annual deposit must be at least \$500.00 but may not exceed the amount of your initial account opening deposit.

You may make withdrawals of principal from your account before maturity. You may not make a partial withdrawal that will bring the daily balance below the minimum daily balance required to open the account. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw dividends credited in the term before maturity of that term without penalty. You can withdraw dividends anytime during the term of crediting after they are credited to your account.

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) -

- If your account has an original maturity of three months or less:
The penalty we may impose will equal one month dividends on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than three months to 12 months:
The penalty we may impose will equal three months dividends on the amount withdrawn subject to penalty.
- If your account has an original maturity of more than 12 months:
The penalty we may impose will equal six months dividends on the amount withdrawn subject to penalty.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity - The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

Automatically renewable account - Unless otherwise disclosed this account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. If you prevent renewal, dividends will not accrue after final maturity.

For the 36-Month Stepped Rate Certificate accounts only, this account will automatically renew at maturity to a 36-Month, Fixed Rate Certificate at the dividend rate being offered on a new account of that type on the maturity date.

For a 7-Month Fixed Rate Certificate accounts only, this account will automatically renew at maturity to a 9-Month, Fixed Rate Certificate account at the dividend rate being offered on a new account of that type on the maturity date.

For a 15-Month Fixed Rate Certificate accounts only, this account will automatically renew at maturity to a 18-Month, Fixed Rate Certificate account at the dividend rate being offered on a new account of that type on the maturity date.

For a 30-Month Fixed Rate Certificate accounts only, this account will automatically renew at maturity to a 36-Month, Fixed Rate Certificate account at the dividend rate being offered on a new account of that type on the maturity date.

For a 91-Day Fixed Rate IRA Certificate account only, this account will automatically renew at maturity to a 9 Month, Fixed Rate IRA Certificate account at the dividend being offered on a new account of that type on the maturity date.

For a 6-Month Fixed Rate IRA Certificate account only, this account will automatically renew at maturity to a 9 Month, Fixed Rate IRA Certificate account at the dividend being offered on a new account of that type on the maturity date.

For a 42-Month Fixed Rate IRA Certificate account only, this account will automatically renew at maturity to a 48 Month, Fixed Rate IRA Certificate account at the dividend being offered on a new account of that type on the maturity date.

For a 59-Month Fixed Rate Certificate accounts only, the account will automatically renew at maturity to a 60-Month, Fixed Rate Certificate account at the dividend rate being offered on a new account of that type on the maturity date.

You will have a grace period of seven calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

COMMON FEATURES

Bylaw requirements:

If you do not maintain a balance of \$5.00 in your Share Savings account, you may be terminated from membership at the end of the dividend period in which the time elapses.

Transaction limitation - We reserve the right to at any time require not less than seven days notice in writing before each withdrawal from an interest-bearing account other than a time deposit or demand deposit, or from any other savings account as defined by Regulation D.

Nature of dividends - Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term share account(s).)

National Credit Union Share Insurance Fund - Member accounts in this credit union are federally insured by the National Credit Union Share Insurance Fund.

Please refer to our separate rate sheet for current dividend rate and annual percentage yield information.

SCHEDULE OF FEES

(Effective 8/10/2020)

Checking Accounts:

MyFree Checking.....	FREE
MyGreen Checking (per check written).....	\$1.00
MyInterest Checking (service charge if balance falls below \$500.00).....	\$5.00 per month
MyRelationship Checking (If combined loan and deposit balances fall below \$10,000).....	\$10.00 per month
Paper Statement (if eStatement is available).....	\$5.00 per month
Check printing (based on style or design - shipping charged for all orders paid by member).....	varies
Non-Sufficient Funds (NSF) returned item.....	\$35.00
Overdraft Privilege Service (OPS) paid item.....	\$35.00
<i>Fee applies to overdrafts created by check, in-person withdrawal, ATM withdrawal or other electronic means. No overdraft fee for transactions less than \$5.01. Fees capped at five per business day.</i>	
Stop payment.....	\$30.00
Preauthorized overdraft transfers from Share to Checking (two free per month).....	\$5.00
<i>Monthly transfer limits apply: See Truth-in-Savings disclosure</i>	

On-Line Banking/Bill Payer:

Online Banking.....	FREE
Bill Payer.....	FREE
VIP (Remote Deposit Capture).....	FREE
Stop payment on a Bill Payer check.....	\$25.00
Copy of a Bill Payer Check.....	\$5.00
Expedited Bill Payment:	
Electronic.....	\$10.00
Check.....	\$25.00

Debit Mastercard and ATM Card:

No fee imposed by SCU Credit Union for ATM transactions at SCU Credit Union or non-SCU Credit Union ATMS. When using an ATM not owned by SCU Credit Union, you may be charged a surcharge fee by the ATM Owner or network. The ATM owner or network fees are not imposed when you see a participating SUM® or CO-OP® Network ATM.

Debit Card POS transactions at any U.S. location.....	FREE
Mastercard® Cross-Border Fee (pass through from Mastercard®).....	% of transaction
Replacement card:	
Lost/stolen.....	\$15.00

Safe Deposit Boxes/Storage Lockers:

	Annual Fee
3 X 5.....	\$50.00
5 X 5.....	\$65.00
3 X 10.....	\$75.00
5 X 10.....	\$110.00
10 X 10.....	\$175.00

18 X 15	\$200.00
24 X 19	\$250.00
Safe Deposit Box Late payment fee	\$15.00
Safe Deposit Box Lost key	\$50.00
Safe Deposit Box Drilling fee	\$250.00
Mortgage Fees:	
Preparation of Confirmatory Discharge	\$125.00
Preparation of Subordination Agreement	\$125.00
Partial release fee	\$125.00 plus appraisal fee
Lien release letter	\$10.00
Written payoff request	\$25.00 (one free every 6 months)
Loan modification	Varies
Miscellaneous Charges:	
Returned deposited item	\$7.50
Wire transfers:	
Incoming	\$10.00
Outgoing domestic	\$25.00
Outgoing international	\$50.00
Foreign item collection (pass through from collecting agency)	Varies
Account research (one hour minimum)	\$30.00 per hour
Duplicate statement	\$6.00
IRA Outgoing Trustee Transfer Fee	\$40.00
Self-service coin processing:	
Members	FREE
Non-members	10% of total
Abandoned Property Account	\$50.00
Abandoned Property Negotiable Instrument	\$1.00
Processing of levy, garnishment or other legal services	\$100.00 each
Money Market Regulation D Excess Transaction Fee	\$10.00
Official check and money order (one of either FREE per day)	\$3.00 each
Bad Address Fee (per account)	\$5.00
Lost passbook	\$15.00
Account Verification	\$10.00

