

MEMBERSHIP AGREEMENT AND DISCLOSURES

Membership and Account Agreement
Funds Availability Policy Disclosure
Electronic Fund Transfers Agreement & Disclosure



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MEMBERSHIP AND ACCOUNT AGREEMENT

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

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

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.

What this means for you: When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

1. MEMBERSHIP ELIGIBILITY - To join the Credit Union, you must meet the membership requirements, including purchase and maintenance of the minimum required share(s) (hereinafter membership share) and/or paying a membership fee as set forth in the Credit Union's bylaws. You authorize us to check your account, credit and employment history, and obtain reports from third parties, including credit reporting agencies, to verify your eligibility for the accounts, products and services you request and for other accounts, products, or services we may offer you or for which you may qualify.

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

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

a. Rights of Survivorship. All joint accounts include rights of survivorship. This means that when one (1) owner dies, all sums in the account will pass to the surviving owner(s). A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

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

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

4. POD/TRUST ACCOUNT DESIGNATIONS - A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that an individual or joint account so designated is payable to the owner(s) during his, her, or their lifetimes and, when the last account owner dies, is payable to all surviving POD or trust beneficiaries/payees. Unless state law provides for different ownership or as permitted and documented by us, the beneficiaries/payees will own the funds jointly in equal shares without rights of survivorship when there is more than one surviving beneficiary/payee. Any POD or trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account nor the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or in the name of a trust.

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

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

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7. AGENCY DESIGNATION ON AN ACCOUNT - An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or credit union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent except as required by applicable law.

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

a. Endorsements. We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more account owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check, draft, or item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check or draft within 1½ inches of the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service.

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

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

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

e. Direct Deposits. We may offer direct deposit services, including preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by completing a separate authorization document. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

f. Crediting of Deposits. Deposits will be credited to your account on the day we consider them received as stated in our Funds Availability Policy Disclosure.

9. ACCOUNT ACCESS

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

b. Access Options. You may access your account(s) in any manner we permit including, for example, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access or mobile application. We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any losses, expenses or fees we incur as a result of handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law.

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

10. FUND TRANSFERS - Fund transfers we permit that are subject to Article 4A of the Uniform Commercial Code, such as wire transfers, will be subject to such provisions of the Uniform Commercial Code as enacted by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to rules of the National Automated Clearinghouse Association (Nacha). We may execute certain requests for fund transfers by Fedwire which are subject to the Federal Reserve Board's Regulation J.

a. Authorization for Transfers/Debiting of Accounts. You may make or order fund transfers to or from your account. We will debit your account for the amount of a fund transfer from your account and will charge your account for any fees related to the transfer.

b. Right to Refuse to Make Transfers/Limitation of Liability. Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic or equipment failure. In addition, we will not be liable for consequential, special, punitive or indirect loss or damage you may incur in connection with fund transfers to or from your account.

c. No Notice Required. We will not provide you with notice when fund transfers are credited to your account. You will receive notice of such credits on your account statements. You may contact us to determine whether a payment has been received.

d. Interest Payments. If we fail to properly execute a payment order and such action results in a delay in payment to you, we will pay you dividends or interest, whichever applies to your account, for the period of delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest nominal dividend or interest rate we were paying on any account during that period.

e. Provisional Credit for ACH Transactions. We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.

f. Payment Order Processing and Cut-off Times. Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the date it is received or on a particular date you specify. Cut-off times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. Fund transfers, payment orders, cancellations, and amendments received after a cut-off time may be treated as having been received on the next fund transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.

g. Identifying Information. If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.

h. Amendments and Cancellations of Payment Orders. Any account owner may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and indemnify us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.

i. Security Procedures. We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.

j. Duty to Report Unauthorized or Erroneous Fund Transfers. You must exercise ordinary care to identify and report unauthorized or erroneous fund transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.

k. Recording Telephone Requests. You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.

l. Remittance Transfers. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. If we act as a remittance transfer provider and conduct a remittance transfer(s) on your behalf, the transaction(s) will be governed by 12 C.F.R. part 1005, subpart B - Requirements for remittance transfers. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

11. ACCOUNT RATES AND FEES - We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure and Schedule of Fees and Charges. We may change the Truth-in-Savings Disclosure or Schedule of Fees and Charges at any time and will notify you as required by law.

12. TRANSACTION LIMITATIONS

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

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

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

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

14. OVERDRAFTS

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

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

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee

that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us or, if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

b. How Transactions are Posted to Your Account. Basically, there are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know how much money you have and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

Credits. Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.

Debits. There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **Checks.** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments from low to high dollar value.
- **ACH Payments.** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt.
- **PIN-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment.
- **Signature-Based Debit Card Purchase Transactions.** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account when the authorization is completed. This is referred to as an "authorization hold". An authorization hold will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when you present your card for payment. For example, if you use your debit card at a restaurant, a hold will be placed in an amount equal to the bill presented to you; but when the transaction posts, it will include any tip that you may have added to the bill. This may also be the case where you present your debit card for payment at gas stations, hotels and certain other retail establishments. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

For debit card transactions involving merchant authorization holds, there may be a delay between the hold being applied and the transaction posting to your account. During the delay, intervening transactions may impact the available balance in your account. It is important to keep in mind that we check your available balance both at the time the merchant's authorization request is received and again when the transaction settles and posts to your account. If your available balance is insufficient to cover the amount of the merchant's authorization request, we will decline the request. If your available balance is sufficient to cover the merchant's authorization request, the request will be approved, and an authorization hold in the amount of the request will be placed on your account. The transaction will be subsequently processed by the merchant and submitted to us for payment. If the transaction settles and posts to your account at a time when the available balance is insufficient to pay the transaction without causing an overdraft (i.e., posting the transaction results in an available balance of less than \$0), we will charge you a fee for overdrawing your account, even though the available balance in your account was sufficient to cover the transaction at the time it was authorized.

The following example illustrates how this works:

Assume your actual and available balances are both \$40, and you use your debit card at a restaurant to pay your bill totaling \$30. If the restaurant requests authorization in the amount of \$30, an authorization hold is placed on \$30 in your account. Your available balance is only \$10, but the actual balance remains \$40. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 is presented for payment. Because your available balance is only \$10 due to the \$30 authorization hold, your account will be overdrawn by \$30 when the check transaction is posted to your account even though your actual balance is \$40. In this example, if we pay the \$40 check in accordance with our standard overdraft services, we will charge you a fee for overdrawing your account as disclosed in the Schedule of Fees and Charges. The fee will also be deducted from your account, further increasing the overdrawn amount. In addition, when the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount to the restaurant. The transaction amount may be \$30 or a different amount (for example, if you added a tip). Because the amount of the restaurant charge exceeds your available balance at the time the charge is settled (i.e., at the time the merchant or its financial institution requests payment or the transaction posts to your account), we will charge you another fee for overdrawing your account, even though you had a sufficient available balance in your account at the time the restaurant charge was authorized and approved.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

c. Understanding Your Account Balance. Your checking account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions.

Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. In such cases, subsequent posting of the pending transactions may further overdraw your account and be subject to additional fees. You should assume that any item which would overdraw your account based on your available balance may create an overdraft. You may check your available balance online at www.copfcu.com, at an ATM, by visiting a credit union branch or by calling us at 800-810-0221.

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

16. STOP PAYMENT ORDERS

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

Stop payment orders for preauthorized debit transactions from your account are governed by Regulation E. Please refer to the Electronic Fund Transfers Agreement and Disclosure for rules regarding stop payments on preauthorized debit transactions.

b. Duration of Order. You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order is effective for six months and may be renewed for additional six-month periods by submitting a renewal request in writing, or in a record if allowed by applicable law, before the stop payment order then in effect expires. We do not have to notify you when a stop payment order expires.

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

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

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

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

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

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

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

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

23. NOTICES

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

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

c. Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is provided electronically or is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address, and will be effective whether or not received by you. Notice to any account owner is considered notice to all account owners.

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

e. e-Statements. In an effort to provide **added security** for our membership and to be **environmentally responsible**, Cincinnati Police Federal Credit Union's standard statement delivery option is now through electronic statements or e-Statements.

- With our e-Statement service, you can be sure that your statement – along with some of your personal information – won't have any chance of being lost in the mail.
- e-Statements are environmentally friendly. Thousands of sheets of paper are saved each year, dramatically reducing the amount of trees that must be cut and harvested.

e-Statements are accessed through our secure Online Banking system. You must have an e-mail address to sign up for and receive e-Statements.

If you opt to receive paper statements through the mail, you may be charged a monthly service fee for the paper statements. Please see the Schedule of Fees for details.

24. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING - You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service a percentage of dividends, interest, and certain other payments. If you fail to provide your TIN within a reasonable time we may close your account and return the balance to you, less any applicable service fees.

25. STATEMENTS

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

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

Unauthorized electronic fund transfers governed by Regulation E are subject to different reporting periods. Please refer to the Electronic Fund Transfers Agreement and Disclosure for reporting requirements pertaining to electronic fund transfers.

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

d. Address. If we mail you a statement, we will send it to the last known address shown in our records. If you have requested to receive your statement electronically, we will send the statement or notice of statement availability to the last e-mail address shown in our records.

26. INACTIVE ACCOUNTS - As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our Schedule of Fees and Charges. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an account payable or reserve account and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by state law, the account will then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds. If you choose to reclaim such funds, you must apply to the appropriate state agency.

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

28. TERMINATION OF ACCOUNT - We may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if, for example: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks or drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; (7) we reasonably deem it necessary to prevent a loss to us; or (8) as otherwise permitted by law. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, draft, withdrawal, transaction, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

29. TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES - You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.

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

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

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

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

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

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

36. MONITORING AND RECORDING COMMUNICATIONS - We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

37. CONSENT TO CONTACT - By signing or otherwise authenticating an Account Card, you agree we and/or our third-party providers, including debt collectors, may contact you by telephone or text message at any telephone number associated with your account, including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to you, in order to service your account or collect any amounts owed to us, excluding any contacts for advertising and telemarketing purposes as prescribed by law. You further agree methods of contact may include use of pre-recorded or artificial voice messages, and/or use of an automatic dialing device. You may withdraw the consent to be contacted on your wireless telephone number(s) at any time by any reasonable means. If you have provided a wireless telephone number(s) on or in connection with any account, you represent and agree you are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and have the authority to give this consent. Furthermore, you agree to notify us of any change to the wireless telephone number(s) which you have provided to us.

In order to help mitigate harm to you and your account, we may contact you on any telephone number associated with your account, including a wireless telephone number (i.e. cell phone number), to deliver to you any messages related to suspected or actual fraudulent activity on your account, data security breaches or identity theft following a data breach, money transfers or any other exigent messages permitted by applicable law. These contacts will not contain any telemarketing, cross-marketing, solicitation, advertising, or debt collection message of any kind. If we contact you via text message for the purpose of delivering informational alerts and quality of service surveys, they will be concise and limited in frequency. You will have an opportunity to opt out of such communications at the time of delivery.

FUNDS AVAILABILITY POLICY DISCLOSURE

This Disclosure describes your ability to withdraw funds at Cincinnati Ohio Police Federal Credit Union. It only applies to the availability of funds in transaction accounts. The Credit Union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

1. GENERAL POLICY — Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. 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 2:00 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 after 2:00 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.

2. RESERVATION OF RIGHT TO HOLD — In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Funds may not be available until the second business day after the day of your deposit. However, the first \$225.00 of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

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

4. LONGER DELAYS MAY APPLY — We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525.00 on any one (1) day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six (6) months.
- There is an emergency, such as failure of communications or computer equipment.

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

5. DEPOSITS AT NONPROPRIETARY ATMS — Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the next business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

ELECTRONIC FUND TRANSFERS AGREEMENT AND DISCLOSURE

This Electronic Fund Transfers Agreement and Disclosure is the contract which covers your and our rights and responsibilities concerning the electronic fund transfers (EFT) services offered to you by Cincinnati Ohio Police Federal Credit Union ("Credit Union"). In this Agreement, the words "you," "your," and "yours" mean those who sign the application or account card as applicants, joint owners, or any authorized users. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one (1) or more savings and checking accounts you have with the Credit Union. Electronic fund transfers are electronically initiated transfers of money from your account through the EFT services described below. By signing an application or account card for EFT services, signing your card, or using any service, each of you, jointly and severally, agree to the terms and conditions in this Agreement and any amendments for the EFT services offered. Furthermore, electronic fund transfers that meet the definition of remittance transfers are governed by 12 C.F.R. part 1005, subpart B—Requirements for remittance transfers, and consequently, terms of this agreement may vary for those types of transactions. A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.

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

a. MasterMoney ATM Card. If approved, you may use your card and personal identification number (PIN) in automated teller machines (ATMs) of the Credit Union, Pulse, Cirrus®, and Jeannie networks, and such other machines or facilities as the Credit Union may designate. For ATM transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for ATM overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

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

- Make deposits to your savings and checking accounts.
- Withdraw funds from your savings and checking accounts.
- Transfer funds from your savings and checking accounts.
- Obtain balance information for your savings and checking accounts.
- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at POS terminals that carry Pulse, Cirrus®, and Jeannie network logo(s).

The following limitations on MasterMoney ATM Card transactions may apply:

- There is no limit on the number of cash withdrawals you may make in any one (1) day.
- You may withdraw up to a maximum of \$1,000.00 in any one (1) day, if there are sufficient funds in your account.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- You may purchase up to a maximum of \$1,500.00 from POS terminals per day, if there are sufficient funds in your account.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal.

b. MasterMoney Debit Card. If approved, you may use your Mastercard® card to purchase goods and services from participating merchants. However, you may not use your card to initiate any type of electronic gambling transactions through the Internet. If you wish to pay for goods or services over the Internet, you may be required to provide card number security information before you will be permitted to complete the transaction. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your card purchases will be deducted from your checking account. For ATM and one-time debit card transactions, you must consent to the Credit Union's overdraft protection plan in order for the transaction amount to be covered under the plan. Without your consent, the Credit Union may not authorize and pay an overdraft resulting from these types of transactions. Services and fees for overdrafts are shown in the document the Credit Union uses to capture the member's opt-in choice for overdraft protection and the Schedule of Fees and Charges.

For other types of transactions, if the balance in your account is not sufficient to pay the transaction amount, the Credit Union may pay the amount and treat the transaction as a request to transfer funds from other deposit accounts, approved overdraft protection accounts, or loan accounts that you have established with the Credit Union. If you initiate a transaction that overdraws your account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement. You may use your card and personal identification number (PIN) in ATMs of the Credit Union, Pulse and Cirrus networks, and such other machines or facilities as the Credit Union may designate.

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

- Make deposits to your savings and checking accounts.
- Withdraw funds from your savings and checking accounts.



- Transfer funds from your savings and checking accounts.
- Obtain balance information for your savings and checking accounts.
- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at merchants that accept Mastercard.
- Order goods or services online or by mail or telephone from places that accept Mastercard.

The following limitations on MasterMoney Debit Card transactions may apply:

- There is no limit to the number of cash withdrawals you may make in any one (1) day from an ATM machine.
- You may withdraw up to a maximum of \$1,000.00 in any one (1) day from an ATM machine, if there are sufficient funds in your account.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- You may purchase up to a maximum of \$1,500.00 from POS terminals per day, if there are sufficient funds in your account.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.

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

Your card is automatically enrolled in an information updating service. Through this service, your updated card information (such as card number and expiration date) may be shared with participating merchants to facilitate continued recurring charges. Updates are not guaranteed before your next payment to a merchant is due. You are responsible for making direct payment until recurring charges resume. To revoke your authorization allowing us to provide updated card information to a merchant, please contact us.

c. HSA Debit Card. If you will be using your Mastercard® debit card to access a Health Savings Account (HSA), portions of this Agreement governed by Regulation E will not apply. A HSA account is defined by the IRS as a trust account, and therefore is not covered under Regulation E. But portions of this Agreement, such as Mastercard zero liability provisions for unauthorized use for example, do apply. Funds to cover your card purchases will be deducted from your checking account. You may use your card and personal identification number (PIN) in ATMs of the Credit Union, Pulse and Cirrus networks, and such other machines or facilities as the Credit Union may designate.

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

- Withdraw funds from your HSA checking accounts.
- Obtain balance information for your HSA checking accounts.
- Make point-of-sale (POS) transactions with your card and personal identification number (PIN) to purchase goods or services at merchants that accept Mastercard.
- Order goods or services online or by mail or telephone from places that accept Mastercard.

The following limitations on HSA Debit Card transactions may apply:

- There is no limit to the number of cash withdrawals you may make in any one (1) day from an ATM machine.
- You may withdraw up to a maximum of \$1,000.00 in any one (1) day from an ATM machine, if there are sufficient funds in your account.
- There is no limit on the number of POS transactions you may make in any one (1) day.
- You may purchase up to a maximum of \$2,000.00 from POS terminals per day, if there are sufficient funds in your account.
- For security purposes, there are other limits on the frequency and amount of transfers available at ATMs.
- See Section 2 for transfer limitations that may apply to these transactions.

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

Your card is automatically enrolled in an information updating service. Through this service, your updated card information (such as card number and expiration date) may be shared with participating merchants to facilitate continued recurring charges. Updates are not guaranteed before your next payment to a merchant is due. You are responsible for making direct payment until recurring charges resume. To revoke your authorization allowing us to provide updated card information to a merchant, please contact us.

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

- Transfer funds from your savings, checking, and money market accounts.
- Make loan payments from your savings, checking, and money market accounts.
- Determine if a particular item has cleared.
- Verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Audio Response via a touch-tone telephone only. Audio Response service will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing.

The following limitations on Audio Response transactions may apply:

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

The Credit Union reserves the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. The Credit Union may set other limits on the amount of any transaction, and you will be notified of those limits. The Credit Union may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each telephone call.

e. Preauthorized EFTs.

- **Direct Deposit.** Upon instruction of (i) your employer, (ii) the Treasury Department or (iii) other financial institutions, the Credit Union will accept direct deposits of your paycheck or federal recurring payments, such as Social Security, to your savings, checking, and/or money market account.
- **Preauthorized Debits.** Upon instruction, we will pay certain recurring transactions from your savings and/or checking account. See Section 2 for transfer limitations that may apply to these transactions.
- **Stop Payment Rights.** If you have arranged in advance to make electronic fund transfers out of your account(s) for money you owe others, you may stop payment on preauthorized transfers from your account. You must notify us orally or in writing at any time up to three (3) business days before the scheduled date of the transfer. We may require written confirmation of the stop payment order to be made within 14 days of any oral notification. If we do not receive the written confirmation, the oral stop payment order shall cease to be binding 14 days after it has been made. A stop payment request may apply to a single transfer, multiple transfers, or all future transfers as directed by you, and will remain in effect unless you withdraw your request or all transfers subject to the request have been returned.
- **Notice of Varying Amounts.** If these regular payments may vary in amount, the person you are going to pay is required to tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.
- **Liability for Failure to Stop Payment of Preauthorized Transfers.** If you order us to stop payment of a preauthorized transfer three (3) business days or more before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

f. Electronic Check Conversion/Electronic Returned Check Fees. If you pay for purchases or bills with a check or draft, you may authorize your check or draft to be converted to an electronic fund transfer. You may also authorize merchants or other payees to electronically debit your account for returned check fees. You are considered to have authorized these electronic fund transfers if you complete the transaction after being told (orally or by a notice posted or sent to you) that the transfer may be processed electronically or if you sign a written authorization.

g. Online Banking. If Online Banking is activated for your account(s), you will be required to use secure login information to access the account(s). At the present time, you may use Online Banking to:

- Withdraw funds from your savings, checking, and money market accounts.
- Transfer funds from your savings, checking, and money market accounts.
- Obtain balance information for your savings, checking, loan, and money market accounts.
- Make loan payments from your savings, checking, and money market accounts.
- Determine if a particular item has cleared.
- Verify the last date and amount of your payroll deposit.
- View transaction history on your savings, checking, money market, and loan accounts.

Your accounts can be accessed under Online Banking via personal computer. Online Banking will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

The following limitations on Online Banking transactions may apply:

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

h. Mobile Banking. If Mobile Banking is activated for your account(s), you will be required to use secure login information to access the account(s). At the present time, you may use Mobile Banking to:

- Deposit checks to your savings and checking accounts.
- Withdraw funds from your savings, checking, and money market accounts.
- Transfer funds from your savings, checking, and money market accounts.
- Obtain balance information for your savings, checking, and money market accounts.
- Make loan payments from your savings, checking, and money market accounts.

- Determine if a particular item has cleared.
- Verify the last date and amount of your payroll deposit.

Your accounts can be accessed under Mobile Banking via mobile device or other approved access device(s). Mobile Banking will be available for your convenience 24 hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction which would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction and there may be limits on the duration of each access.

The following limitations on Mobile Banking transactions may apply:

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

i. Bill Pay. We will process bill payment transfer requests only to those creditors the Credit Union has designated in the User Instructions and such creditors as you authorize and for whom the Credit Union has the proper vendor code number. We will not process any bill payment transfer if the required transaction information is incomplete.

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

The following limitations on Bill Pay transactions may apply:

- There is no limit on the number of bill payments per day.
- The maximum amount of bill payments each day is determined on a case-by-case basis.

2. TRANSFER LIMITATIONS — For all savings accounts, you may make no more than six (6) transfers and withdrawals from your account to another account of yours or to a third party in any month by means of a preauthorized, automatic, or Internet transfer, by telephonic order or instruction, or by check, draft, debit card or similar order. If you exceed these limitations, your account may be subject to a fee or be closed.

3. CONDITIONS OF EFT SERVICES —

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

b. Honoring the Card. Neither we nor merchants authorized to honor the card will be responsible for the failure or refusal to honor the card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of a cash refund.

c. Foreign Transactions.

Mastercard. Purchases and cash withdrawals made in foreign currencies will be debited from your account in U.S. dollars. The exchange rate used to convert foreign currency transactions to U.S. dollars is based on rates observed in the wholesale market or government-mandated rates, where applicable. The currency conversion rate Mastercard uses for a particular transaction is the rate for the applicable currency on the date the transaction occurs. However, in limited situations, particularly where transaction submissions to Mastercard for processing are delayed, the currency conversion rate Mastercard uses may be the rate for the applicable currency on the date the transaction is processed.

A fee of up to 1.00% will be charged on all foreign transactions. A foreign transaction is any transaction that you complete or a merchant completes on your card outside of the United States. All fees are calculated based on the transaction amount after it is converted to U.S. dollars and are charged except where excluded. Transactions completed by merchants outside of the United States are considered foreign transactions, regardless of whether you are located inside or outside the United States at the time of the transaction.

d. Security of Access Code. You may use one (1) or more access codes with your electronic fund transfers. The access codes issued to you are for your security purposes. Any access codes issued to you are confidential and should not be disclosed to third parties or recorded on or with the card. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

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

4. FEES AND CHARGES — We assess certain fees and charges for EFT services. For a current listing of all applicable fees and charges, see our current Schedule of Fees and Charges that was provided to you at the time you applied for or requested these EFT services. From time to time, the fees and charges may be changed, and we will notify you as required by applicable law.

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

You understand and agree that we and/or the ATM operator may charge you multiple fees for multiple transactions during the same ATM session (for example, fees for both a balance inquiry and a cash withdrawal).

5. MEMBER LIABILITY — You are responsible for all transactions you authorize using your EFT services under this Agreement. If you permit someone else to use an EFT service, your card or your access code, you are responsible for any transactions they authorize or conduct on any of your accounts. However, TELL US AT ONCE if you believe your card and/or access code has been lost or stolen, if you believe someone has used your card or access code or otherwise accessed your accounts without your permission, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line-of-credit).

You are not liable for an unauthorized Mastercard debit card transaction if you can demonstrate that you have exercised reasonable care in protecting your card or access code from loss or theft and, upon discovering the loss or theft, you promptly report the loss or theft to us.

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

Also, if your statement shows transfers that you did not make including those made by card, access code or other means, TELL US AT ONCE. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money lost after the 60 days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods.

If you believe your card or access code has been lost or stolen or that someone has transferred or may transfer money from your accounts without your permission, call:

(513) 381-2677

(833) 933-1681 (lost/stolen)

or write to:

Cincinnati Ohio Police Federal Credit Union
959 West Eighth Street
Cincinnati, OH 45203
Fax: (513) 381-3010

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

6. RIGHT TO RECEIVE DOCUMENTATION —

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

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

c. Direct Deposit. If you have arranged to have a direct deposit made to your account at least once every 60 days from the same source and you do not receive a receipt (such as a pay stub), you can find out whether or not the deposit has been made by calling (513) 381-2677. This does not apply to transactions occurring outside the United States.

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

- As necessary to complete transfers;
- To verify the existence of sufficient funds to cover specific transactions upon the request of a third party, such as a credit bureau or merchant;
- If your account is eligible for emergency cash and/or emergency card replacement services and you request such services, you agree that we may provide personal information about you and your account that is necessary to provide you with the requested service(s);
- To comply with government agency or court orders; or
- If you give us your written permission.

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

9. CREDIT UNION LIABILITY FOR FAILURE TO MAKE TRANSFERS — If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

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

10. NOTICES — All notices from us will be effective when we have mailed them or delivered them to the appropriate address in the Credit Union's records. Written notice you provide in accordance with your responsibility to report unauthorized transactions to us will be considered given at the time you mail the notice or deliver it for transmission to us by any other usual means. All other notices from you will be effective when received by the Credit Union at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which EFT services are offered and will provide notice to you in accordance with applicable law. Use of EFT services is subject to existing regulations governing your Credit Union account and any future changes to those regulations.

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

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

11. BILLING ERRORS — In case of errors or questions about electronic fund transfers from your savings and checking accounts or if you need more information about a transfer on the statement or receipt, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem appears. Call us at:

(513) 381-2677

or write to:

Cincinnati Ohio Police Federal Credit Union
959 West Eighth Street
Cincinnati, OH 45203
Fax: (513) 381-3010

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

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

We will determine whether an error has occurred within ten (10)* business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45** days to investigate your complaint or question. If we decide to do this, we will

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

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

* If you give notice of an error occurring within 30 days after you make the first deposit to your account, we may take up to 20 business days instead of ten (10) business days to investigate the error.

** If you give notice of an error occurring within 30 days after you make the first deposit to your account, notice of an error involving a point-of-sale (POS) transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we may take up to 90 days instead of 45 days to investigate the error. Additionally, for errors occurring within 30 days after you make the first deposit to your account, we may take up to 20 business days instead of ten (10) business days to credit your account.

12. TERMINATION OF EFT SERVICES — You may terminate this Agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your card and any access code. You must return all cards to the Credit Union. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card or access code for any EFT service. Whether you or the Credit Union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any electronic transactions made prior to termination.

13. GOVERNING LAW — This Agreement is governed by the bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Ohio, and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located.

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

Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

Overdraft Protection (Courtesy Pay)



Have you ever...

- Forgotten to account for a payment, withdrawal or other purchase from your checking account?
- Had your spouse make payments you didn't know about or had to guess at what transactions they'd made?
- Had a transaction denied at checkout?
- Experienced the embarrassment and expense of returned payments?

Unanticipated expenses and unforeseen problems can leave you with too little cash in your checking account. Having a payment returned due to insufficient funds can be a costly, inconvenient and embarrassing experience.

At COPFCU, we do not encourage overdrafts. As always, we encourage you to manage your finances responsibly. However, we want to save you from the additional fees and possible damage to your credit history that might result if a payment is returned.

That's why we provide Courtesy Pay for our members.

What is Courtesy Pay?

Courtesy Pay is an overdraft service that requires no action on your part. You don't have to sign anything. Your Courtesy Pay limit will be automatically assigned.

How does Courtesy Pay work?

We are not obligated to pay any item presented for payment if your account does not have sufficient funds; however, as long as you maintain your account in "good standing," we may approve your overdraft items within your current available Courtesy Pay limit as a non-contractual courtesy.

For Courtesy Pay consideration, your account is in "good standing" if you:

- (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges);
- (2) avoid excessive overdrafts suggesting the use of Courtesy Pay as a continuing line of credit;
- (3) are not currently dormant;
- (4) are not currently delinquent on any loan or credit card with us; and
- (5) there are no legal orders, levies or liens against your account.

As a courtesy to members, if an item is paid that brings your checking account to a balance of $-\$.01$ to $-\$4.99$, no Courtesy Pay fee will be charged. For items paid that bring your account to a balance of $-\$5.00$ or less, please note that the amount of the overdraft plus the credit union's paid item Courtesy Pay fee for each paid item will be deducted from the Courtesy Pay limit. If the item is returned, the returned item NSF fee will be deducted from your account. No interest will be charged on the overdraft balance. Refer to COPFCU's Fee Schedule for current fees.

How do I know when I use the overdraft Limit?

You will receive an overdraft notice via email, through online banking or in the mail each time items are paid. The notice will show the check number (if applicable), amount and the paid item Courtesy Pay fee. You will need to subtract the total fees when balancing your checkbook.

What is my Courtesy Pay limit? If I have 2 checking accounts, can I get Courtesy Pay on both?

Locate your account type below and make note of the corresponding limit. Courtesy Pay is limited to one checking account even if you have multiple checking accounts with COPFCU.

- Secure Checking - \$500
- Freedom Checking – Not available
- Basic Checking - \$500
- HSA Checking – Not available

What if I go beyond my Courtesy Pay Limit?

Overdrafts above and beyond your established Courtesy Pay limit may result in checks or other items being returned unpaid to the payee. The returned item NSF Fee will be charged per item and assessed to your account. An insufficient funds notice will be sent via email, through online banking or in the mail to notify you of items paid and/or returned.

How quickly must I repay my Courtesy Pay?

You should make every attempt to bring your account to a positive end-of-day balance as soon as possible, and must do so within 30 calendar days. If you are not able to do so, you will receive a letter from COPFCU informing you that your Courtesy Pay limit has been suspended and additional items will be returned.

What does my Courtesy Pay cost?

There is no additional cost associated with Courtesy Pay unless you use it. You will be charged our paid item Courtesy Pay Fee for each overdrawn item created by check, debit card, or other electronic means paid under the limit and resulting in an account balance of $-\$5.00$ or less. For example, 3 paid items in one day will result in 3 paid item Courtesy Pay fees (assuming the first paid item results in balance of $-\$5.00$ or less). To help you manage your account, the total fees you have paid for items (both paid and returned) during the current month and for the year-to-date will be reflected on your monthly checking account statement.

What are some of the ways I can access my Courtesy Pay limit?

Will my limit be reflected in the balance I receive?

The chart below shows the different ways you can access your Courtesy Pay limit and indicates whether or not this limit will be reflected in the balance provided.

Access Point	Is my \$500 ODP limit available?	Does the balance given reflect my ODP limit?
Teller	No	No
Check	Yes	N/A
Debit Card Purchase	Yes, if you elect this.	N/A
ATM Withdrawal	Yes, if you elect this.	No
ACH Auto Debit	Yes	N/A
Bank-by-Phone	No	No
Mobile Banking	No	No

How soon can I use my Courtesy Pay?

If you are a new account-holder age 18+ with one of the eligible checking accounts, you may be able to use the Courtesy Pay service 30-60 days after the account is opened (the exact timing depends on the date your account was opened), as long as your account does not have a negative balance on the 1st of the month following account-opening and you are in "good standing" as defined herein.

What are some other ways I can cover overdrafts at COPFCU?

The best way to avoid overdrafts and fees is to keep track of your account balance by reconciling your checking account regularly (subtracting all outstanding items from your current available balance) and managing your finances responsibly. However, if a mistake occurs, COPFCU offers additional ways to cover overdrafts in addition to Courtesy Pay.

Ways to Cover Overdrafts at COPFCU	Associated Fees
Good account management	\$0
Transfers made by you in Online Banking, Mobile Banking or Bank-by-Phone systems	\$0
Automated system transfer from Savings, Money Market, etc., to cover an overdraft	See Fee Schedule
Courtesy Pay	See Fee Schedule

What if I don't want to have Courtesy Pay on my checking account?

If you would like to have this service removed from your account, please call us.

Cincinnati Ohio Police Federal Credit Union
Courtesy Pay Policy

An insufficient balance can result from several events, such as (1) the payment of checks, electronic funds transfers or other withdrawal requests; (2) payments authorized by you; (3) the return of unpaid items deposited by you; (4) credit union service fees; or (5) the deposit of items which, according to the credit union's Funds Availability Policy, are treated as not yet available or finally paid. We are not obligated to pay any item presented for payment if your account does not contain sufficient funds.

As long as you maintain your account in "good standing," we may approve your overdraft items within your current available Courtesy Pay limit as a non-contractual courtesy. For Courtesy Pay consideration, your account is in "good standing" if you (1) make sufficient deposits to bring your account to a positive end-of-day balance at least once every 30 calendar days (including the payment of all credit union fees and charges); (2) avoid excessive overdrafts suggesting the use of Courtesy Pay as a continuing line of credit; (3) are not currently dormant; (4) are not currently delinquent on any loan or credit card with us; and (5) there are no legal orders, levies or liens against your account.

In the normal course of business, we generally pay electronic transactions first and then checks in the order in which they are presented. We reserve the right to change the order of payment without notice to you if we suspect fraud or possible illegal activity affecting your account. Also, please be aware that the order of item payment may create multiple overdraft items during a single banking day for which you will be charged our paid item Courtesy Pay fee for each overdraft item. Refer to COPFCU's Fee Schedule for current fees.

You may opt out of the Courtesy Pay privilege at any time, but you are responsible for any overdrawn balances at the time of opting out. Normally, we will not approve an overdraft for you in excess of the predetermined amount assigned to your account type. So as not to exceed your limit, please note that the amount of the overdraft plus the credit union's paid item Courtesy Pay fee for each paid item will be deducted from your Courtesy Pay limit.

We may refuse to pay an overdraft item at any time even though we may have previously paid overdrafts for you. For example, we typically do not pay overdraft

items if your account is not in good standing as defined above, or if based upon our review of your account management, we determine that you have too many overdrafts or are using Courtesy Pay as a regular line of credit. You will be charged a returned item NSF fee for each item.

You will be notified by email, through online banking or by mail of any non-sufficient items paid or returned that you may have; however, we have no obligation to notify you before we pay or return any item. The amount of any overdraft including our paid item Courtesy Pay fee and/or returned item NSF fee that you owe us shall be due and payable upon demand, but if no demand is made, no later than 30 calendar days after the creation of the overdraft. If there is an overdraft on an account with more than one owner on the signature card, each owner and agent, if applicable, shall be jointly and severally liable for all overdrafts inclusive of fees.

Courtesy Pay should not be viewed as an encouragement to overdraw your account. To avoid fees, we encourage you to keep track of your account balance by entering all items in your check register, reconciling your checkbook regularly, and managing your finances responsibly. Your account information is available to you 24 hours a day, 7 days a week by using any of our free services such as Online Banking, Mobile Banking and Bank-by-Phone. If you would like to have this service removed from your account, please call (513)381-2677 or (800)810-0221.

Please note that your Courtesy Pay limit may be available for covering overdrafts created at the Teller window or through a POS transaction, but will not be available for covering overdrafts provided at the ATM, through Online Banking, or our Bank-by-Phone system. The limit will not be included in the balance provided during an inquiry.

LIMITATIONS: Courtesy Pay is a non-contractual courtesy that is available to individually/jointly owned accounts in good standing for personal or household use. Cincinnati Police Federal Credit Union reserves the right to limit participation to one account per household and to suspend, revoke, or discontinue this service without prior notice.

Federally Insured by NCUA. Equal Housing Lender.

Queensgate
959 W. 8th St.
Cincinnati, OH 45203
(513)381-2677 or (800)810-0221

Colerain
3550 Springdale Road
Cincinnati, OH 45251
(513)385-4808

Blue Ash
9300 Kenwood Rd.
Blue Ash, OH 45242
(513)948-1234

www.COPFCU.com

HSA

Health Savings Account

**Custodial Agreement
&
Disclosure Statement**



Congratulations

By establishing a Health Savings Account (HSA), you have taken an important step toward saving taxes and providing for the health-care needs of you and your family. Contributions to an HSA are tax deductible, and are not taxable when distributed, if used for qualified medical expenses. Therefore, contributions to, and the earnings on, an HSA are generally tax-free.

You do not have to contribute every year. However, we urge you to make additional contributions. Remember, your HSA means real tax savings to you — the more you deposit, the more money you'll have for your health-care needs.

This booklet, containing your HSA Custodial Agreement and Disclosure Statement, is yours to keep. Please read it over carefully to understand the rules relating to your HSA.

Thank you for allowing us to maintain your HSA. We're here to help you in any way we can. If you have any questions, or if we can assist you on any other matter, please let us know.

Application

The Application is used to record all of the participant information necessary to establish the HSA. It is important that all of the information be completed.

HSA Custodial Agreement

This is the legal document that defines the Internal Revenue Service's rules and regulations for HSAs. The Custodial Agreement, together with a fully completed Application to Participate, establishes your HSA with our organization.

Disclosure Statement

The Disclosure Statement is a nontechnical description of the rules governing this HSA. It is easy to understand, because it's written in layman's language. Explanations are separated by headings that help you locate specific rules and regulations.

Health Savings Custodial Account (Under section 223 of the Internal Revenue Code)

Introduction

The Account Owner whose name appears on the Application is establishing this Health Savings Account (HSA) exclusively for the purpose of paying or reimbursing qualified medical expenses of the Account Owner, his or her spouse, and dependents. The Account Owner represents that, unless this account is used solely to make rollover contributions, he or she is eligible to contribute to this HSA; specifically, that he or she: (1) is covered under a high deductible health plan (HDHP); (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage); (3) is not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person's tax return.

This Custodial Account is assigned the dollar amount indicated on the Application in cash.

The Account Owner and the Custodian make the following agreement:

ARTICLE I

1. The Custodian will accept additional cash contributions for the tax year made by the Account Owner or on behalf of the Account Owner (by an employer, family member or any other person). No contributions will be accepted by the Custodian for any Account Owner that exceeds the maximum amount for family coverage plus the catch-up contribution.

2. Contributions for any tax year may be made at any time before the deadline for filing the Account Owner's federal income tax return for that year (without extensions).

3. Rollover contributions from an HSA or an Archer Medical Savings Account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.

4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.

5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

ARTICLE II

1. For calendar year 2011, the maximum annual contribution limit for an Account Owner with single coverage is \$3,050. This amount increases to \$3,100 in 2012. For calendar year 2011, the maximum annual contribution limit for an Account Owner with family coverage is \$6,150. This amount increases to \$6,250 in 2012. These limits are subject to cost-of-living increases after 2012.

2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.

3. For calendar year 2009 and later years, an additional \$1,000 catch-up contribution may be made for an Account Owner who is at least age 55 or older and not enrolled in Medicare.

4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

ARTICLE III

It is the responsibility of the Account Owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the Account Owner shall notify the Custodian that there exist excess contributions to the HSA. It is the responsibility of the Account Owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

ARTICLE IV

The Account Owner's interest in the balance in this Custodial Account is nonforfeitable.

ARTICLE V

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).

2. The assets of this account may not be commingled with other property except in a common trust fund or common investment fund.

3. Neither the Account Owner nor the Custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

ARTICLE VI

1. Distributions of funds from this HSA may be made at any time upon the direction of the Account Owner.

2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the Account Owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the Account Owner's gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after the Account Owner's death, disability, or reaching age 65.

3. The Custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the Account Owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

ARTICLE VII

If the Account Owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is the Account Owner's spouse, the HSA will become the spouse's HSA as of the date of death.

2. If the beneficiary is not the Account Owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the Account Owner's estate, the fair market value of the account as of the date of death is taxable on the Account Owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

ARTICLE VIII

1. The Account Owner agrees to provide the Custodian with information necessary for the Custodian to prepare any report or return required by the IRS.

2. The Custodian agrees to prepare and submit any report or return as prescribed by the IRS.

ARTICLE IX

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

ARTICLE X

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the Application.

ARTICLE XI

This article may incorporate additional provisions that are agreed to by the Depositor and Custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the Custodian, Custodian's fees, state law requirements, accepting only cash, treatment of excess contributions, prohibited transactions with the Depositor, etc.

1. **Custodian.** The Custodian must be a bank or savings and loan association, as defined in section 408(n), an insurance company, defined in section 816, or any person who has the approval of the IRS to act as custodian.

2. **Depositor.** The Depositor is the person who establishes the Custodial Account.

3. **Amendments.**—The Custodian has the right to amend this Custodial Agreement at any time to comply with necessary laws and regulations, without the consent of the Depositor. Such amendments may be made retroactively to comply with statutory or regulatory changes. The Custodian also has the right to amend this Custodial Agreement for any other reason. The Depositor is deemed to have automatically consented to any amendment unless the Depositor notifies the Custodian, in writing, that the Depositor does not consent to the amendment within 30 days after the Custodian mails a copy of the amendment to the Depositor.

4. **Responsibilities.**—The Custodian shall receive all contributions, shall make distributions and pay benefits from the Custodial Account, shall file such statements or reports as may be required, and do other things as may be required of an HSA custodian. If applicable, and unless otherwise specified by the Depositor, his spouse, or his beneficiaries, the Custodian, at its sole discretion, from time to time, shall cast any votes that may be attributable to the Depositor's interest under this agreement. The Custodian shall use reasonable care, skill, prudence, and diligence in the administration and investment of the Custodial Account and in executing any written instructions by the Depositor, and shall be entitled to rely on information submitted by the Depositor. The Custodian shall have no duties under this Agreement and no responsibility for the administration of the Custodial Account, except for such duties imposed by law or this agreement. The Custodian is authorized to invest all or part of the plan's assets in deposits of the financial organization acting as Custodian of this HSA. The Custodian has no responsibility or duty to determine whether contributions to, or distributions from, this HSA comply with the laws or regulations, or this Custodial Agreement. If the Custodian fails to enforce any of the provisions of this Agreement, such failure shall not be construed as a waiver of such provisions, or of the Custodian's right thereafter to enforce each and every such provision.

5. **Resignation, Removal, and Appointment of Custodian.**—The Custodian may resign at any time by giving 30 days prior written notice of such resignation to the Depositor. The Depositor shall fill any vacancy in the office of Custodian. If, after 30 days from notice of resignation, the Depositor does not notify the Custodian, in writing, of the appointment of a successor Custodian of the HSA, the resigning Custodian has the right to appoint a successor Custodian of the HSA or, at its sole discretion, the resigning Custodian may transfer the HSA to a successor custodian or distribute the HSA assets to the Depositor. The Custodian is authorized to reserve such funds it deems necessary to cover any fees or charges against the HSA.

6. **Applicable Law.**—This Agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this Agreement, the law of the Custodian's domicile shall govern.

7. **Severability.**—If any part of this Agreement is held to be unenforceable or invalid, the remaining parts shall not be affected. The remaining parts shall be enforceable and valid as if any unenforceable or invalid parts were not contained herein.

8. **Do not file this Agreement with the IRS.** Instead, keep it with your records.

What's New

Additional Tax Increased. For tax years beginning after December 31, 2010, the additional tax on distributions not used for qualified medical expenses increases from 10% to 20%.

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

Do not file Form 5305-C with the IRS. Instead, keep it with your records. For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Pub. 969, Health Savings Accounts and Other Tax-Favored Health Plans, and other IRS published guidance.

Definitions

Identifying Number. The account owner's social security number will serve as the identification number of this HSA. For married persons, each spouse who is

eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

High Deductible Health Plan (HDHP). For calendar year 2011, an HDHP for self-only coverage has a minimum annual deductible of \$1,200 and an annual out-of-pocket maximum (deductibles, co-payments and other amounts, but not premiums) of \$5,950. In 2012, the \$1,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$6,050. For calendar year 2011, an HDHP for family coverage has a minimum annual deductible of \$2,400 and an annual out-of-pocket maximum of \$11,900. In 2012, the \$2,400 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to \$12,100. These limits are subject to cost-of-living adjustments after 2012.

Self-only coverage and family coverage under an HDHP. Family coverage means coverage that is not self-only coverage.

Qualified medical expenses. Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not

compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

Custodian. A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

Specific Instructions

Article XI. Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.

Health Savings Account Custodial Disclosure Statement

IRS Notice 2004-2 as modified by IRS Notice 2004-50
(Text in *italics* is excerpts from IRS Notice 2004-50)

PURPOSE

This notice provides guidance on Health Savings Accounts.

BACKGROUND

Section 1201 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub. L. No. 108-173, added section 223 to the Internal Revenue Code to permit eligible individuals to establish Health Savings Accounts (HSAs) for taxable years beginning after December 31, 2003. HSAs are established to receive tax-favored contributions by or on behalf of eligible individuals and amounts in an HSA may be accumulated over the years or distributed on a tax-free basis to pay or reimburse qualified medical expenses. A number of the rules that apply to HSAs are similar to rules that apply to Individual Retirement Accounts (IRAs) under sections 219, 408 and 408A, and to Archer Medical Savings Accounts (Archer MSAs) under section 220. For example, like an Archer MSA, an HSA is established for the benefit of an individual, is owned by that individual, and is portable. Thus, if the individual is an employee who later changes employers or leaves the work force, the HSA does not stay behind with the former employer, but stays with the individual. This notice provides certain basic information about HSAs in question and answer format, without attempting to enumerate all of the specific rules that apply under section 223.

The notice is divided into five parts. Part I of the notice explains what HSAs are and who can have them. Part II describes how HSAs can be established. Parts III and IV cover contributions to HSAs and distributions from HSAs. Part V discusses other matters relating to HSAs.

QUESTIONS AND ANSWERS

Set forth below are questions and answers concerning HSAs.

I. What Are HSAs and Who Can Have Them?

Q-1. What is an HSA?

A-1. An HSA is a tax-exempt trust or custodial account established exclusively for the purpose of paying qualified medical expenses of the account beneficiary who, for the months for which contributions are made to an HSA, is covered under a high-deductible health plan.

Q-2. Who is eligible to establish an HSA?

A-2. An "eligible individual" can establish an HSA. An "eligible individual" means, with respect to any month, any individual who: (1) is covered under a high-deductible health plan (HDHP) on the first day of such month; (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing certain limited types of coverage); (3) is not enrolled in Medicare (generally, has not yet reached age 65); and (4) may not be claimed as a dependent on another person's tax return.

Q-3. What is a "high-deductible health plan" (HDHP)?

A-3. Generally, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. Specifically, for self-only coverage, an HDHP has an annual deductible of at least \$1,000 and annual out-of-pocket expenses required to be paid (deductibles, co-payments and other amounts, but not premiums) not exceeding \$5,000. For family coverage, an HDHP has an annual deductible of at least \$2,000 and annual out-of-pocket expenses required to be paid not exceeding \$10,000. In the case of family coverage, a plan is an HDHP only if, under the terms of the plan and without regard to which family member or members incur expenses, no amounts are payable from the HDHP until the family has incurred annual covered medical expenses in excess of the minimum annual deductible. Amounts are indexed for inflation. A plan does not fail to qualify as an HDHP merely because it does not have a deductible (or has a small deductible) for preventive care (e.g., first dollar coverage for preventive care). However, except for preventive care, a plan may not provide benefits for any year until the deductible for that year is met. See A-4 and A-6 for special rules regarding network plans and plans providing certain types of coverage.

Example (1): A Plan provides coverage for A and his family. The Plan provides for the payment of covered medical expenses of any member of A's family if the member has incurred covered medical expenses during the year in excess of \$1,000 even if the family has not incurred covered medical expenses in excess of \$2,000. If A incurred covered medical expenses of \$1,500 in a year, the Plan would pay \$500. Thus, benefits are potentially available under the Plan even if the family's covered medical expenses do not exceed \$2,000. Because the Plan provides family coverage with an annual deductible of less than \$2,000, the Plan is not an HDHP.

Example (2): Same facts as in example (1), except that the Plan has a \$5,000 family deductible and provides payment for covered medical expenses if any member of A's family has incurred covered medical expenses during the year in

excess of \$2,000. The Plan satisfies the requirements for an HDHP with respect to the deductibles. See A-12 for HSA contribution limits.

Q-4. What are the special rules for determining whether a health plan that is a network plan meets the requirements of an HDHP?

A-4. A network plan is a plan that generally provides more favorable benefits for services provided by its network of providers than for services provided outside of the network. In the case of a plan using a network of providers, the plan does not fail to be an HDHP (if it would otherwise meet the requirements of an HDHP) solely because the out-of-pocket expense limits for services provided outside of the network exceeds the maximum annual out-of-pocket expense limits allowed for an HDHP. In addition, the plan's annual deductible for out-of-network services is not taken into account in determining the annual contribution limit. Rather, the annual contribution limit is determined by reference to the deductible for services within the network.

Q-5. What kind of other health coverage makes an individual ineligible for an HSA?

A-5. Generally, an individual is ineligible for an HSA if the individual, while covered under an HDHP, is also covered under a health plan (whether as an individual, spouse, or dependent) that is not an HDHP. See also A-6.

Q-6. What other kinds of health coverage may an individual maintain without losing eligibility for an HSA?

A-6. An individual does not fail to be eligible for an HSA merely because, in addition to an HDHP, the individual has coverage for any benefit provided by "permitted insurance." Permitted insurance is insurance under which substantially all of the coverage provided relates to liabilities incurred under workers' compensation laws, tort liabilities, liabilities relating to ownership or use of property (e.g., automobile insurance), insurance for a specified disease or illness, and insurance that pays a fixed amount per day (or other period) of hospitalization. In addition to permitted insurance, an individual does not fail to be eligible for an HSA merely because, in addition to an HDHP, the individual has coverage (whether provided through insurance or otherwise) for accidents, disability, dental care, vision care, or long-term care. If a plan that is intended to be an HDHP is one in which substantially all of the coverage of the plan is through permitted insurance or other coverage as described in this answer, it is not an HDHP.

Q-7. Can a self-insured medical reimbursement plan sponsored by an employer be an HDHP?

A-7. Yes.

II. How Can An HSA Be Established?

Q-8. How does an eligible individual establish an HSA?

A-8. Beginning January 1, 2004, any eligible individual (as described in A-2) can establish an HSA with a qualified HSA trustee or custodian, in much the same way that individuals establish IRAs or Archer MSAs with qualified IRA or Archer MSA trustees or custodians. No permission or authorization from the Internal Revenue Service (IRS) is necessary to establish an HSA. An eligible individual who is an employee may establish an HSA with or without involvement of the employer.

Q-9. Who is a qualified HSA trustee or custodian?

A-9. Any insurance company (as defined in section 816) or any bank (including a similar financial institution as defined in section 408(n)) can be an HSA trustee or custodian. In addition, any other person already approved by the IRS to be a trustee or custodian of IRAs or Archer MSAs is automatically approved to be an HSA trustee or custodian. Other persons may request approval to be a trustee or custodian in accordance with the procedures set forth in Treas. Reg. § 1.408-2(e) (relating to IRA nonbank trustees). For additional information concerning nonbank trustees and custodians, see Announcement 2003-54, 2003-40 I.R.B. 761.

Q-10. Does the HSA have to be opened at the same institution that provides the HDHP?

A-10. No. The HSA can be established through a qualified trustee or custodian who is different from the HDHP provider. Where a trustee or custodian does not sponsor the HDHP, the trustee or custodian may require proof or certification that the account beneficiary is an eligible individual, including that the individual is covered by a health plan that meets all of the requirements of an HDHP.

III. Contributions to HSAs.

Q-11. Who may contribute to an HSA?

A-11. Any eligible individual may contribute to an HSA. For an HSA established by an employee, the employee, the employee's employer or both may contribute to the HSA of the employee in a given year. For an HSA established by a self-employed (or unemployed) individual, the individual may

contribute to the HSA. Family members may also make contributions to an HSA on behalf of another family member as long as that other family member is an eligible individual. (Q-28. *Who may make contributions on behalf of an eligible individual?* A-28. *Although Q&A 11 of Notice 2004-2 only refers to contributions by employers or family members, any person (an employer, a family member or any other person) may make contributions to an HSA on behalf of an eligible individual.*)

Q-12. How much may be contributed to an HSA in calendar year 2004?

A-12. The maximum annual contribution to an HSA is the sum of the limits determined separately for each month, based on status, eligibility and health plan coverage as of the first day of the month. For calendar year 2004, the maximum monthly contribution for eligible individuals with self-only coverage under an HDHP is 1/12 of the lesser of 100% of the annual deductible under the HDHP (minimum of \$1,000) but not more than \$2,600. For eligible individuals with family coverage under an HDHP, the maximum monthly contribution is 1/12 of the lesser of 100% of the annual deductible under the HDHP (minimum of \$2,000) but not more than \$5,150. In addition to the maximum contribution amount, catch-up contributions, as described in A-14, may be made by or on behalf of individuals age 55 and older who are not enrolled in Medicare. All HSA contributions made by or on behalf of an eligible individual to an HSA are aggregated for purposes of applying the limit. The annual limit is decreased by the aggregate contributions to an Archer MSA. The same annual contribution limit applies whether the contributions are made by an employee, an employer, a self-employed person, or a family member. Unlike Archer MSAs, contributions may be made by or on behalf of eligible individuals even if the individuals have no compensation or if the contributions exceed their compensation. If an individual has more than one HSA, the aggregate annual contributions to all the HSAs are subject to the limit.

Q-13. How is the contribution limit computed for an individual who begins self-only coverage under an HDHP on June 1, 2004 and continues to be covered under the HDHP for the rest of the year?

A-13. The contribution limit is computed each month. If the annual deductible is \$5,000 for the HDHP, then the lesser of the annual deductible and \$2,600 is \$2,600. The monthly contribution limit is \$216.67 ($\$2,600 \div 12$). The annual contribution limit is \$1,516.69 ($7 \times \216.67).

Q-14. What are the "catch-up contributions" for individuals age 55 or older?

A-14. For individuals (and their spouses covered under the HDHP) who have attained age 55 and are not enrolled in Medicare the HSA contribution limit is increased by \$500 in calendar year 2004. This catch-up amount will increase in \$100 increments annually, until it reaches \$1,000 in calendar year 2009. As with the annual contribution limit, the catch-up contribution is also computed on a monthly basis. After an individual has attained age 65 and becomes enrolled in Medicare benefits, contributions, including catchup contributions, cannot be made to an individual's HSA.

Example: An individual attains age 65 and becomes enrolled in Medicare in July, 2004 and had been participating in self-only coverage under an HDHP with an annual deductible of \$1,000. The individual is no longer eligible to make HSA contributions (including catch-up contributions) after June, 2004. The monthly contribution limit is \$125 ($\$1,000 / 12 + \$500 / 12$ for the catch-up contribution). The individual may make contributions for January through June totaling \$750 ($6 \times \125), but may not make any contributions for July through December, 2004.

Q-15. If one or both spouses have family coverage, how is the contribution limit computed?

A-15. In the case of individuals who are married to each other, if either spouse has family coverage, both are treated as having family coverage. If each spouse has family coverage under a separate health plan, both spouses are treated as covered under the plan with the lowest deductible. The contribution limit for the spouses is the lowest deductible amount, divided equally between the spouses unless they agree on a different division. The family coverage limit is reduced further by any contribution to an Archer MSA. However, both spouses may make the catch-up contributions for individuals age 55 or over without exceeding the family coverage limit.

Example (1): H and W are married. H is 58 and W is 53. H and W both have family coverage under separate HDHPs. H has a \$3,000 deductible under his HDHP and W has a \$2,000 deductible under her HDHP. H and W are treated as covered under the plan with the \$2,000 deductible. H can contribute \$1,500 to an HSA (1/2 the deductible of \$2,000 + \$500 catch up contribution) and W can contribute \$1,000 to an HSA (unless they agree to a different division).

Example (2): H and W are married. H is 35 and W is 33. H and W each have a self-only HDHP. H has a \$1,000 deductible under his HDHP and W has a \$1,500 deductible under her HDHP. H can contribute \$1,000 to an HSA and W can contribute \$1,500 to an HSA.

Q-16. In what form must contributions be made to an HSA?

A-16. Contributions to an HSA must be made in cash. For example, contributions may not be made in the form of stock or other property. Payments

for the HDHP and contributions to the HSA can be made through a cafeteria plan. See A-33.

Q-17. What is the tax treatment of an eligible individual's HSA contributions?

A-17. Contributions made by an eligible individual to an HSA (which are subject to the limits described in A-12) are deductible by the eligible individual in determining adjusted gross income (i.e., "above-the-line"). The contributions are deductible whether or not the eligible individual itemizes deductions. However, the individual cannot also deduct the contributions as medical expense deductions under section 213.

Q-18. What is the tax treatment of contributions made by a family member on behalf of an eligible individual?

A-18. Contributions made by a family member on behalf of an eligible individual to an HSA (which are subject to the limits described in A-12) are deductible by the eligible individual in computing adjusted gross income. The contributions are deductible whether or not the eligible individual itemizes deductions. An individual who may be claimed as a dependent on another person's tax return is not an eligible individual and may not deduct contributions to an HSA.

Q-19. What is the tax treatment of employer contributions to an employee's HSA?

A-19. In the case of an employee who is an eligible individual, employer contributions (provided they are within the limits described in A-12) to the employee's HSA are treated as employer-provided coverage for medical expenses under an accident or health plan and are excludable from the employee's gross income. The employer contributions are not subject to withholding from wages for income tax or subject to the Federal Insurance Contributions Act (FICA), the Federal Unemployment Tax Act (FUTA), or the Railroad Retirement Tax Act. Contributions to an employee's HSA through a cafeteria plan are treated as employer contributions. The employee cannot deduct employer contributions on his or her federal income tax return as HSA contributions or as medical expense deductions under section 213.

Q-20. What is the tax treatment of an HSA?

A-20. An HSA is generally exempt from tax (like an IRA or Archer MSA), unless it has ceased to be an HSA. Earnings on amounts in an HSA are not includable in gross income while held in the HSA (i.e., inside buildup is not taxable). See A-25 regarding the taxation of distributions to the account beneficiary.

Q-21. When may HSA contributions be made? Is there a deadline for contributions to an HSA for a taxable year?

A-21. Contributions for the taxable year can be made in one or more payments, at the convenience of the individual or the employer, at any time prior to the time prescribed by law (without extensions) for filing the eligible individual's federal income tax return for that year, but not before the beginning of that year. For calendar year taxpayers, the deadline for contributions to an HSA is generally April 15 following the year for which the contributions are made. Although the annual contribution is determined monthly, the maximum contribution may be made on the first day of the year. See A-22 regarding correcting excess contributions.

Example: B has self-only coverage under an HDHP with a deductible of \$1,500 and also has an HSA. B's employer contributes \$200 to B's HSA at the end of every quarter in 2004 and at the end of the first quarter in 2005 (March 31, 2005). B can exclude from income in 2004 all of the employer contributions (i.e., \$1,000) because B's exclusion for all contributions does not exceed the maximum annual HSA contributions. See A-12. (Q-74. *Is the HSA trustee or custodian responsible for determining whether contributions to an HSA exceed the maximum annual contribution for a particular account beneficiary?* A-74. *No. This is the responsibility of the account beneficiary, who is also responsible for notifying the trustee or custodian of any excess contribution and requesting a withdrawal of the excess contribution together with any net income attributable to the excess contribution. The HSA trustee or custodian is, however, responsible for accepting cash contributions within the limits in Q&A 73 and for filing required information returns with the IRS (Form 5498-SA and Form 1099-SA).)*

Q-22. What happens when HSA contributions exceed the maximum amount that may be deducted or excluded from gross income in a taxable year?

A-22. Contributions by individuals to an HSA, or if made on behalf of an individual to an HSA, are not deductible to the extent they exceed the limits described in A-2. Contributions by an employer to an HSA for an employee are included in the gross income of the employee to the extent that they exceed the limits described in A-12 or if they are made on behalf of an employee who is not an eligible individual. In addition, an excise tax of 6% for each taxable year is imposed on the account beneficiary for excess individual and employer contributions. However, if the excess contributions for a taxable year and the net income attributable to such excess contributions are paid to the account beneficiary before the last day prescribed by law (including extensions) for filing the account beneficiary's federal income tax return for the taxable year, then the net income attributable to the excess contributions is included in the

account beneficiary's gross income for the taxable year in which the distribution is received but the excise tax is not imposed on the excess contribution and the distribution of the excess contributions is not taxed. (Q-34. *An account beneficiary wants to withdraw an excess contribution from an HSA before the due date of his or her federal income tax return (including extensions), to avoid the 6 percent excise tax under section 4973(a)(5). How is the net income attributable to the excess contribution computed?* A-34. *Section 223(f)(3)(A)(ii) provides that any distribution of excess contribution to an HSA must be "accompanied by the amount of net income attributable to such excess contribution." Any net income is included in the individual's gross income. The rules for computing attributable net income for excess IRA contributions apply to HSAs. See Treas. Reg. § 1.408-11 and Notice 2004-2, Q&A 22.*)

Q-23. Are rollover contributions to HSAs permitted?

A-23. Rollover contributions from Archer MSAs and other HSAs into an HSA are permitted. Rollover contributions need not be in cash. Rollovers are not subject to the annual contribution limits. Rollovers from an IRA, from a health reimbursement arrangement (HRA), or from a health flexible spending arrangement (FSA) to an HSA are not permitted. (Q-56. *Are transfers of HSA amounts from one HSA trustee directly to another HSA trustee (trustee-to-trustee transfers), subject to the rollover restrictions?* A-56. *No. The rules under section 223(f)(5) limiting the number of rollover contributions to one a year do not apply to trustee-to-trustee transfers. Thus, there is no limit on the number of trustee-to-trustee transfers allowed during a year.*)

IV. Distributions from HSAs.

Q-24. When is an individual permitted to receive distributions from an HSA?

A-24. An individual is permitted to receive distributions from an HSA at any time.

Q-25. How are distributions from an HSA taxed?

A-25. Distributions from an HSA used exclusively to pay for qualified medical expenses of the account beneficiary, his or her spouse, or dependents are excludable from gross income. In general, amounts in an HSA can be used for qualified medical expenses and will be excludable from gross income even if the individual is not currently eligible for contributions to the HSA. However, any amount of the distribution not used exclusively to pay for qualified medical expenses of the account beneficiary, spouse or dependents is includable in gross income of the account beneficiary and is subject to an additional 10% tax on the amount includable, except in the case of distributions made after the account beneficiary's death, disability, or attaining age 65.

Q-26. What are the "qualified medical expenses" that are eligible for tax-free distributions?

A-26. The term "qualified medical expenses" are expenses paid by the account beneficiary, his or her spouse or dependents for medical care as defined in section 213(d) (including nonprescription drugs as described in Rev. Rul. 2003-102, 2003-38 I.R.B. 559), but only to the extent the expenses are not covered by insurance or otherwise. The qualified medical expenses must be incurred only after the HSA has been established. For purposes of determining the itemized deduction for medical expenses, medical expenses paid or reimbursed by distributions from an HSA are not treated as expenses paid for medical care under section 213.

Q-27. Are health insurance premiums qualified medical expenses?

A-27. Generally, health insurance premiums are not qualified medical expenses except for the following: qualified long-term care insurance, COBRA health care continuation coverage, and health care coverage while an individual is receiving unemployment compensation. In addition, (Q&A-45 adds, "for individuals enrolled in Medicare,") premiums for Medicare Part A or B, Medicare HMO, and the employee share of premiums for employer-sponsored health insurance, including premiums for employer-sponsored retiree health insurance can be paid from an HSA. Premiums for Medigap policies are not qualified medical expenses.

Q-28. How are distributions from an HSA taxed after the account beneficiary is no longer an eligible individual?

A-28. If the account beneficiary is no longer an eligible individual (e.g., the individual is over age 65 and entitled to Medicare benefits, or no longer has an HDHP), distributions used exclusively to pay for qualified medical expenses continue to be excludable from the account beneficiary's gross income.

Q-29. Must HSA trustees or custodians determine whether HSA distributions are used exclusively for qualified medical expenses?

A-29. No. HSA trustees or custodians are not required to determine whether HSA distributions are used for qualified medical expenses. Individuals who establish HSAs make that determination and should maintain records of their medical expenses sufficient to show that the distributions have been made exclusively for qualified medical expenses and are therefore excludable from gross income.

Q-30. Must employers who make contributions to an employee's HSA determine whether HSA distributions are used exclusively for qualified medical expenses?

A-30. No. The same rule that applies to trustees or custodians applies to employers. See A-29.

Q-31. What are the income tax consequences after the HSA account beneficiary's death?

A-31. Upon death, any balance remaining in the account beneficiary's HSA becomes the property of the individual named in the HSA instrument as the beneficiary of the account. If the account beneficiary's surviving spouse is the named beneficiary of the HSA, the HSA becomes the HSA of the surviving spouse. The surviving spouse is subject to income tax only to the extent distributions from the HSA are not used for qualified medical expenses. If, by reason of the death of the account beneficiary, the HSA passes to a person other than the account beneficiary's surviving spouse, the HSA ceases to be an HSA as of the date of the account beneficiary's death, and the person is required to include in gross income the fair market value of the HSA assets as of the date of death. For such a person (except the decedent's estate), the includable amount is reduced by any payments from the HSA made for the decedent's qualified medical expenses, if paid within one year after death.

V. Other Matters.

Q-32. What discrimination rules apply to HSAs?

A-32. If an employer makes HSA contributions, the employer must make available comparable contributions on behalf of all "comparable participating employees" (i.e., eligible employees with comparable coverage) during the same period. Contributions are considered comparable if they are either the same amount or same percentage of the deductible under the HDHP. The comparability rule is applied separately to part-time employees (i.e., employees who are customarily employed for fewer than 30 hours per week). The comparability rule does not apply to amounts rolled over from an employee's HSA or Archer MSA, or to contributions made through a cafeteria plan. If employer contributions do not satisfy the comparability rule during a period, the employer is subject to an excise tax equal to 35% of the aggregate amount contributed by the employer to HSAs for that period.

Example: Employer X offers its collectively bargained employees three health plans, including an HDHP with self-only coverage and a \$2,000 deductible. For each employee electing the HDHP self-only coverage, X contributes \$1,000 per year on behalf of the employee to an HSA. X makes no HSA contributions for employees who do not elect the HDHP. X's plans and HSA contributions satisfy the comparability rule.

Q-33. Can an HSA be offered under a cafeteria plan?

A-33. Yes. Both an HSA and an HDHP may be offered as options under a cafeteria plan. Thus, an employee may elect to have amounts contributed as employer contributions to an HSA and an HDHP on a salary-reduction basis.

Q-34. What reporting is required for an HSA?

A-34. Employer contributions to an HSA must be reported on the employee's Form W-2. In addition, information reporting for HSAs will be similar to information reporting for Archer MSAs. The IRS will release forms and instructions, similar to those required for Archer MSAs, on how to report HSA contributions, deductions, and distributions.

Q-35. Are HSAs subject to COBRA continuation coverage under section 4980B?

A-35. No. Like Archer MSAs, HSAs are not subject to COBRA continuation coverage.

Q-36. How do the rules under section 419 affect contributions by an employer to an HSA?

A-36. Contributions by an employer to an HSA are not subject to the rules under section 419. An HSA is a trust that is exempt from tax under section 223. Thus, an HSA is not a "fund" under section 419(e)(3) and, therefore, is not a "welfare benefit fund" under section 419(e)(1).

Q-37. May eligible individuals use debit, credit or stored-value cards to receive distributions from an HSA for qualified medical expenses?

A-37. Yes. (Q-80. *May a trustee or custodian restrict the frequency or minimum amount of distributions from an HSA?* A-80. *Yes. Trustees or custodians may place reasonable restrictions on both the frequency and the minimum amount of distributions from an HSA. For example, the trustee may prohibit distributions for amounts of less than \$50 or only allow a certain number of distributions per month. Generally, the terms regarding the frequency or minimum amount of distributions from an HSA are matters of contract between the trustee and the account beneficiary.*)

Q-38. Are HSAs subject to other statutory rules and provisions?

A-38. Yes. HSAs are subject to other statutory rules and provisions not addressed in this notice. No inference should be drawn regarding issues not expressly addressed in this notice that may be suggested by a particular question or answer, or by the inclusion or exclusion of certain questions. (Q-67. *Are there any transactions which account beneficiaries are prohibited from entering into with an HSA?* A-67. *Yes. Section 223(e)(2) provides that rules similar to the rules of section 408(e)(2) and (4) shall apply to HSAs. Therefore, account beneficiaries may not enter into "prohibited transactions" with an HSA (e.g.,*

the account beneficiary may not sell, exchange, or lease property, borrow or lend money, furnish goods, services or facilities, transfer to or use by or for the benefit of himself/herself any assets, pledge the HSA, etc.). Any amount treated as distributed as the result of a prohibited transaction will not be treated as used to pay for qualified medical expenses. The account beneficiary must, therefore, include the distribution in gross income and generally will be subject to the additional 10 percent tax on distributions not made for qualified medical expenses. See Notice 2004-2, Q&A 25.)

Addendum — Investment

Investment of Contributions. Contributions under the Plan are held in a custodial account for your exclusive benefit, or that of your surviving spouse or your beneficiaries who may include your estate, your dependents or any other persons or entities you may designate, in writing, to the Custodian. Your interest in the account is fully vested and nonforfeitable. The funds in this plan shall be invested in savings accounts, certificates of deposit, and any other investments that are, or may become, legal for the Custodian to make available for investment. The assets of the Custodial Account may not be commingled with other property except in a common trust fund or common investment fund. At no time may any portion of the funds be invested in life insurance contracts or collectibles. The prohibition against investment in collectibles does not apply to certain gold, silver, and platinum coins minted by the government of the United States or any state thereof, or to certain gold, silver, platinum, and palladium bullion.

Addendum — The Tax Relief and Health Care Act of 2006 has made significant changes to the HSA rules. Please note the following changes to IRS Notices 2004-2 and 2004-50 (as shown earlier):

1: Beginning with the 2007 tax year, the maximum HSA contribution is not limited to the annual deductible under the HDHP. Therefore, the maximum annual HSA contribution that can be made for 2007 is \$2,850 for self-only coverage and \$5,650 for family coverage regardless of the amount of the deductible of the HDHP.

2: Under the Tax Relief and Health Care Act of 2006, there is an exception to the pro-rata calculation of the annual contribution amount. For tax years beginning in 2007 and thereafter, individuals who become covered under an HDHP in a month other than January may make a full deductible contribution for the entire year, even though they were not covered by the HDHP for the full year. If an individual is still eligible for the HSA during the last month of a tax year, he or she is treated as having been eligible for an HSA during every month of the year for purposes of calculating the annual contribution limit. Thus, contributions could be made for such an individual for months before the individual was enrolled in the plan. For the months that an individual is treated as being eligible for a contribution under this provision, the individual is treated as being covered under the same HDHP as he or she is covered during the last month of the tax year.

Example: Sam, age 40, became covered by a self-only HDHP on 8/1/07 and was still covered by that HDHP in December 2007. For purposes of his 2007 contribution limit, Sam is treated as being covered by the HDHP for the entire year. He can contribute up to \$2,850 to his HSA for 2007, even though he was covered by the HDHP for only 5 months of the year.

If contributions are made for an individual under this rule, he or she must remain an eligible individual (except for death or disability) during a testing period that begins on the last day of the tax year and ends on the last day of the month 12 months later. If he or she does not remain eligible for HSA contributions during the testing period, the contribution amount attributable to the months he or she was not actually covered under the HDHP become taxable. The amounts are includible in income for the taxable year in which occurs the first day during the testing period that the individual is no longer eligible. A 10%* penalty also applies to the amount included in income.

Example: In our previous example, Sam, age 40, became covered by a self-only HDHP on 8/1/07. For purposes of his 2007 contribution, Sam was treated as being covered by the HDHP for the entire year and he contributed \$2,850 to his HSA. In August 2008, he no longer was covered by an HDHP. Since he did not remain eligible for the entire testing period, the amount he contributed for the first 7 months of 2007 (January through July), when he was not actually covered by the HDHP, is includible in income for 2008. Thus, \$1,662.50 ($\$2,850 \div 12 \times 7$) is includible in income and subject to a 10%* penalty. Further, he may only contribute 7/12th of the annual limit for 2008.

3: Beginning with the 2007 tax year, the deductible under the HDHP is not taken into consideration for purposes of determining the contribution amount. The applicable contribution limit, after reduction for any Archer MSA

contributions, is split equally between both spouses unless they agree on a different division.

4: A provision in the Tax Relief and Health Care Act of 2006 allows a one-time movement of funds by the employer from a health FSA or an HRA to an HSA. Beginning with date of enactment on December 20, 2006 and ending on December 31, 2011, a limited amount of funds may be distributed from a health FSA or HRA and contributed through a direct transfer to an HSA. The amount that can be transferred cannot exceed the lesser of (1) the balance in the health FSA or HRA as of September 21, 2006 or (2) the balance in the health FSA or HRA as of the date of the distribution. The balance is determined on a cash basis (i.e. expenses incurred that have not been reimbursed as of the date of determination are not taken into account). These transferred amounts are not taken into account in applying the maximum deduction limitation for other HSA contributions, and are not deductible.

Because this provision is designed to assist individuals in transitioning from another type of health plan to an HDHP, if an individual for whom a contribution is made under this provision does not remain eligible for an HSA during the testing period (except for disability or death), the amount of the contribution is includible in the gross income of the individual. The testing period begins with the month of the contribution and ends on the last day of the month 12 months later. The amount is includible for the tax year of the first day during the testing period that the individual is no longer eligible for an HSA. A 10% additional penalty also applies to the amount includible in income.

If an employer allows any employee the ability to make transfers under this provision, all employees who are covered under an HDHP of the employer must be allowed to make such transfers.

Example: Mary has a balance in her FSA as of September 21, 2006 of \$2,000 and a balance on January 1, 2008 of \$3,000. As of January 1, 2008, a one-time amount not to exceed \$2,000 may be transferred from the FSA to the HSA. The \$2,000 distribution would not be includible in income, would not be deductible, nor would it count against the maximum annual contribution to the HSA. If Mary ceases to be eligible for an HSA before January 31, 2009 (the end of the testing period), the amount is includible in income and subject to a 10% tax. If, instead of \$3,000, the balance on January 1, 2008 had been \$1,500, Mary's transfer would have been limited to \$1,500.

5: Beginning for the 2007 tax year, an individual can make a one-time-only tax-free direct transfer from his or her IRA to an HSA (known as a "qualified HSA funding distribution" (QHFD)). In addition, a QHFD is not subject to the IRS 10% early distribution penalty tax. The amount that can be transferred is limited to the maximum annual contribution amount applicable to the type of HDHP (self-only or family) under which the individual is covered. The amount is reduced by the amount that has already been contributed to the HSA for the year, if any. No deduction is allowed for the contribution amount transferred from the IRA.

A QHFD applies only to the taxable portion of a Traditional IRA withdrawal; it does not apply to any nontaxable portion (basis). Special rules apply when the IRA contains basis (after-tax funds such as nondeductible IRA contributions). The QHFD is deemed to come first from the taxable portion (i.e., there is no prorate distribution of basis).

Example: Nick, age 40, has \$50,000 of total Traditional IRA assets, including \$10,000 of total basis. In 2007, he decides to make a \$2,500 qualified HSA funding distribution from his Traditional IRA directly to his HSA. The entire \$2,500 is treated as coming from the taxable funds in Nick's Traditional IRAs, leaving him with \$10,000 of basis in his Traditional IRAs.

Even though only one distribution and contribution from an IRA to an HSA is allowed during an individual's lifetime, there is one exception. If an individual starts out the tax year with self-only coverage and later in the year becomes covered by a family HDHP, an additional amount can be transferred (the difference between the self-only limit and the family limit) within the same tax year.

Once the transfer has occurred, the individual must remain eligible for the HSA (except because of death or disability) during a testing period which begins with the month of the contribution and ends on the last day of the month 12 months later. If the individual does not remain eligible, the amount of the IRA distribution that was deposited into the HSA is taxable and subject to a 10%* penalty tax for the tax year in which he or she first became ineligible.

This provision does not apply to Simplified Employee Pensions (SEPs) or SIMPLE IRAs.

* For tax years beginning after December 31, 2010, the 10% penalty tax is increased to 20%.



COPFCU Fee Schedule

Effective April 15, 2024

Checking Accounts

Simple & Free Checking	Free
50+ Interest Checking	Free
Elite High Interest Checking	\$10 per month Waived with daily balance of \$1,500
Secure Checking	\$4.95 per month
Second Chance Checking	\$9.95 per month
Basic Checking	Free
Courtesy Pay / Overdraft Privilege / NSF Fee*	\$27 ea.
Stop Payment Fee	\$10 ea.
Check Copy Printed	\$2 ea.
Check Cashing Fee (Basic Checking)	\$1
Check Cashing Fee (Non-Member)	\$10

Other Service Fees

Courtesy Pay / Overdraft Privilege / NSF Fee*	\$27 ea.
Automated Transfer Fee	\$2 ea.
Deposited Item Returned Fee	\$10 ea.
Member Deposited Item Return Fee	\$27 ea.
Dormant / Inactive Fees (12-months no activity)	\$10 per month
Bad Address Fee	\$3 per month
Account Reconciliation / Research Fee	\$20 flat fee plus \$20 per hour
Account Closing Fee (within 90 days of opening)	\$15
Statements	Free
Statement Reprint	\$3.50 ea.
Money Orders	\$5
Cashier's Check	\$5
Non-Member Notary Fee	\$5
Misc. Requested Copies	\$1 per page

*Fees may apply to overdrafts created by check, ACH, in-person withdrawals, ATM/Debit card withdrawals or other electronic means.

Wire Fees

Outgoing Domestic Transfer	\$25 ea.
Incoming Domestic Transfer	\$25 ea.
Outgoing International Transfer	\$50 ea.
Incoming International Transfer	\$20 ea.

ATM / Debit Card

Card Replacement Fee	\$15 ea.
Foreign Transaction Fee	1% of transaction
Emergency Replacement Fee	\$40
ATM Withdrawals	6 free per month then \$1.50 ea. <i>at all COPFCU, Alliance One and PNC ATM's. Additional Free ATM withdrawals may be earned based on your Rewards Plus status.</i>

VISA Credit Cards

Annual Fee	None
Balance Transfer Fee	3% of transfer (\$5 minimum)
Card Replacement Fee	\$15
Card Replacement Fee - Emergency	\$40
Cash Advance Fee	\$5 per advance
Foreign Transaction Fee	1% of transaction
Late Payment	\$30
Returned Payment	\$25

Loans

Application Fee - Home Equity	\$300
Application Fee - Unsecured	\$30
Application Fee - Quick Loan	\$50
Origination Fee - Secured	\$125
First Mortgage Fees	Call for current schedule.
Late Payment	\$30
Returned Payment	\$25
Overdraft Line of Credit Annual Fee	\$25 per year
Subordination Fee	\$150
Home Equity Refinance Fee	\$150 if currently at COPFCU.

Additional Fee Waivers may be earned based on your Rewards Plus Status.

Business Accounts

Simple & Free Business Checking	Free
Elite Business Interest Checking	\$10 per month Waived with daily balance of \$5,000+

CD / IRA

CD Early Withdrawal Penalty Fee
Half the interest you would have earned

IRA Premature Distribution Fee
10% penalty plus reportable to IRS

FACTS WHAT DOES CINCINNATI POLICE FEDERAL CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> - Social Security number and account balances - checking account information and credit scores - payment history and transaction or loss history <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
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How?	All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons Cincinnati Police Federal Credit Union chooses to share; and whether you can limit this sharing.
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Reasons we can share your personal information	Does COPFCU share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or to report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Call 1-800-810-0221 or 513-381-2677 or visit www.copfcu.com
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What we do	
How does COPFCU protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does COPFCU collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> - open an account or pay your bills - apply for a loan or use your credit or debit card - give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> - sharing for affiliates' everyday business purposes – information about your creditworthiness - affiliates from using your information to market to you - sharing for nonaffiliates to market to you <p>State law and individual companies may give you additional rights to limit sharing.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> - <i>COPFCU has no affiliates.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> - <i>Nonaffiliates we share with can include government agencies, plastic card processors (credit/debit/ATM), financial statement publishers or printers, mailhouse, consumer reporting agencies, data processors, and check/share draft printers. We do not share information with nonaffiliates so they can market to you.</i>
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> - <i>Our joint marketing partners include insurance companies and credit card companies.</i>



Children's Online Privacy Protection Act (Supplement to Privacy Policy)

Cincinnati Ohio Police Federal Credit Union (COPFCU) is committed to safeguarding information about our members and visitors to our website. This includes information that we may receive from children. This statement explains our collection, use and security of personal information received from a child, as is required and relating to The Children's Privacy Protection Act (COPPA). This act was passed to give parents/guardians increased control over what information is collected from children online and how such information is used. The law applies to websites and services which knowingly collect information from children under the age of 13.

COPFCU Website & Email

COPFCU's website and online services are not directed to children under the age of 13. As such, COPFCU will not knowingly collect, use or distribute personal information from children under the age of 13 without prior verifiable consent from a parent/guardian. If we determine that we have inadvertently gathered personal information from a user under the age of 13 without the consent of their parent/guardian, we will promptly delete any and all personal information from our records. Further, this information will not be shared with third parties.

Should COPFCU receive an email from a child under the age of 13, COPFCU may elect to respond to the child's inquiry and/or contact the parent/guardian to respond. COPFCU will use reasonable procedures to ensure we are dealing with the child's parent/guardian before we provide access to the child's specific information. Once the response has been provided, the email from the child will be deleted.

We do not require child members of COPFCU to disclose more information than is reasonably necessary to participate in Kid's Club contests, games or other activities, or as a condition of participation.

Sharing of Information

COPFCU only shares personal information with third party vendors who are tasked with maintaining the child member's account (transaction processing provider and statement provider) and promoting the Kid's Club activities, events and rewards (email provider). All information we have for child members has been provided with consent of the parent/guardian. At any time, the parent/guardian may revoke his/her consent for the child to receive emails for Kid's Club contests, games or other activities.

Parental Consent

We do not collect, use or disclose personally identifiable information from a child without obtaining prior parental consent. At this time, we do not seek to collect personally identifiable information from children under the age of 13. Should that policy change, we will notify the parents/guardians, post the fact that information is being collected, obtain consent from parents in compliance with COPPA, and inform parents about procedures available to review and/or prevent the information from being collected. If you have any questions or concerns about COPFCU's Children's Online Privacy Protection Policy, you may write, call or email us at:

**COPFCU | 959 W. 8th Street | Cincinnati, OH 45203
1-800-810-0221
info@copfcu.com**

For additional information on COPPA protections, you can also visit the [Federal Trade Commission's website](#).

Effective Date: 3/30/2023

BIOMETRIC INFORMATION PRIVACY POLICY AND CONSENT

Scope and Overview

This policy outlines how Cincinnati Ohio Police Federal Credit Union (COPFCU), its vendors, and/or the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software processes biometric data collected from you for identity verification and fraud prevention purposes.

Biometric Data Defined

As used in this policy, biometric data includes "biometric identifiers" and "biometric information". "Biometric identifier" means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry. As the term is used in this policy, the selfie photograph you upload to the software for use in the biometric algorithm is considered a "biometric identifier." "Biometric information" means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.

Disclosure and Authorization Policy

To the extent that Cincinnati Ohio Police Federal Credit Union, its vendors, and/or the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software collect, capture, or otherwise obtain biometric data relating to a consumer, Cincinnati Ohio Police Federal Credit Union must first:

Inform each consumer that Cincinnati Ohio Police Federal Credit Union, its vendors, and/or the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software are collecting, capturing, or otherwise obtaining the consumer's biometric data, and that the Cincinnati Ohio Police Federal Credit Union is providing such biometric data to its vendors and the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software;

Inform the consumer of the specific purpose and length of time for which the consumer's biometric data is being collected, stored, and used; and

Receive consent by the consumer authorizing Cincinnati Ohio Police Federal Credit Union, its vendors, and/or Cincinnati Ohio Police Federal Credit Union's consumer verification software to collect, store, and use the consumer's biometric data for the specific purposes disclosed by the

Cincinnati Ohio Police Federal Credit Union, and for Cincinnati Ohio Police Federal Credit Union to provide such biometric data to its vendors and the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software.

Cincinnati Ohio Police Federal Credit Union, its vendors, and/or the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software will not sell, lease, trade, or otherwise profit from consumers' biometric data; provided, however, that the Cincinnati Ohio Police Federal Credit Union's vendors and the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software may be paid for products or services used by Cincinnati Ohio Police Federal Credit Union that utilize such biometric data.

This policy is intended to comply with all federal, state, and local laws.

Purpose for the Collection of Biometric Data

Cincinnati Ohio Police Federal Credit Union, its vendors, and/or the licensor of Cincinnati Ohio Police Federal Credit Union's consumer verification software collect, store, and use biometric data solely for identity verification and fraud prevention purposes.

Disclosure

Cincinnati Ohio Police Federal Credit Union will not disclose or disseminate any biometric data to anyone other than its vendors and the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software providing products and services using biometric data without/unless:

First obtaining consumer consent to such disclosure or dissemination;

The disclosed data completes a financial transaction requested or authorized by the consumer;

Disclosure is required by law or ordinance; or

Disclosure is required pursuant to a valid warrant or subpoena issued by a court of competent jurisdiction.

Security

Cincinnati Ohio Police Federal Credit Union shall use a commercially reasonable standard of care to store, transmit and protect from disclosure any biometric data collected. Such storage, transmission, and protection from disclosure shall be performed in a manner that is the same as or more protective than the manner in which Cincinnati Ohio Police Federal Credit Union stores, transmits and protects from disclosure other confidential and sensitive information, including personal information that can be used to uniquely identify an individual or an individual's account or property, such as genetic markers, genetic testing information, account numbers, PINs, driver's license numbers and social security numbers.

Retention

Cincinnati Ohio Police Federal Credit Union shall retain consumer biometric data only until, and shall request that its vendors and the licensor of Cincinnati Ohio Police Federal Credit Union's consumer verification software permanently destroy such data when, the first of the following occurs:

The initial purpose for collecting or obtaining such biometric data has been satisfied, such as verification of consumer identity;

Request of consumer to destroy the biometric data; or

Within 30 days of consumer's provisioning of biometric data.

Contact Information

If you have any questions about our use, storage, or security of your biometric data you can contact us at: Info@copfcu.com.

BIOMETRIC INFORMATION CONSUMER CONSENT

As outlined in the "Biometric Information Privacy Policy", I understand and consent to the collection, use, retention, storage, and/or disclosure or re-disclosure of data or images from biometric verification technology by Cincinnati Ohio Police Federal Credit Union, its vendors, and/or the licensor of the Cincinnati Ohio Police Federal Credit Union's consumer verification software. I acknowledge that I have been given a copy of the Policy, or that the Policy has been made accessible to me, and I have had an opportunity to review it and request any additional information concerning the Cincinnati Ohio Police Federal Credit Union's procedures and safeguards for collecting, maintaining, using, disclosing, sharing, storing, and/or destroying this data.



Your Cincinnati Police Federal Credit Union checking account is about to work for you. Now it's time to start taking advantage of the **Identity Theft Protection Service** your account offers:

IDProtect® – identity theft protection service for you, your family, and joint account owners¹:

- **Credit File Monitoring** – daily credit file monitoring and automated alerts of key changes to your Experian, Equifax and TransUnion credit reports *[registration/activation required]*
- **Total Identity Monitoring** – continuous monitoring of over 1,000 databases including credit, Social Security, public records, real property records, telephone and many others *[registration/activation required]*
- **3-in-1 Credit Report** – request new 3-in-1 report every 90 days or upon receipt of credit alert *[registration/activation required]*
- **Credit Score** – receive new single bureau credit score with every new credit report *[registration/activation required]*
- **Up to \$10,000 identity theft expense reimbursement coverage²** – for expenses associated with restoring your identity
- **Fully managed Identity Theft Resolution Services and Personal Information Management Program** *[for a full list of benefits and services – visit www.IDProtectMe247.com]*
- Access to a **dedicated fraud specialist** assigned to manage your case who will work with you until your credit and identity are restored
- **Identity theft recovery case plan** to inform you of the recovery process
- **Debit and credit card registration** *[registration/activation required]*
- **Online identity theft news center and valuable phone and web resources** *[registration required]*

Cellular Telephone Protection² – Receive up to \$300 of replacement or repair costs if your cell phone is stolen or damaged, in the U.S. and abroad. *[Please see Guide to Benefit for additional details regarding eligibility, terms and exclusions.]*

Registration and activation is easy:

- 1) Go to www.IDProtectMe247.com using [Access Code OH362321](#) and follow the simple step-by-step instructions to register and activate benefits, or
- 2) Call 1-877-610-7889 for questions related to any of the benefits and services, or for assistance with registration and activation.

Valuable tips to safeguard your identity and convenient wallet cards are included with this letter.

Thank you for allowing us to serve your financial needs. We appreciate your trust in us. If you have any questions regarding your checking account, ask a representative with Cincinnati Ohio Police Federal Credit Union.

Sincerely,

Cincinnati Ohio Police Federal Credit Union

¹IDProtect service is a personal identity theft protection service available to personal checking account owners, their joint account owners and their eligible family members. Service is not available to a "signer" on the account who is not an account owner. Service is not available to clubs, organizations and/or churches and their members, schools and their employees/students. For revocable grantor trusts, the service is available only when a grantor is serving as a trustee and covers the grantor trustee(s) and their eligible family members. For all other fiduciary accounts, the service covers the beneficiary, who must be the primary member, and their eligible family members (Fiduciary is not covered). Family includes: Spouse, persons qualifying as domestic partner, and children under 25 years of age and parent(s) of the account holder who are residents of the same household

²Special Insurance Program Notes: The descriptions herein are summaries only. They do not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for complete details of coverage and exclusions. Insurance is offered through the company named on the certificate of insurance. Guide to Benefit is enclosed.

Insurance product is not a deposit; not NCUA insured; not an obligation of credit union; and not guaranteed by credit union or any affiliated entity.



TIPS TO SAFEGUARD YOUR IDENTITY

- Tip 1.** Go to www.IDProtectMe247.com to register and activate your identity theft protection benefits provided by IDProtect® or call 1-877-610-7889.
- Tip 2.** Remove your name from pre-screened credit offers at www.optoutprescreen.com or call 1-888-567-8688.
- Tip 3.** Add your telephone number(s) to the National Do Not Call Registry at www.donotcall.gov or call 1-888-382-1222.
- Tip 4.** Remove your name from individual Direct Mail Association Member mailing lists at www.dmachoice.org.
- Tip 5.** Place an alert on your credit file if you believe you have been affected by identity theft. Call 1-800-525-6285 or visit www.fraudalerts.equifax.com.
- Tip 6.** In addition to contacting credit bureaus, request a credit report and place a fraud alert at www.innovis.com. Click on the Personal Services tab to get a credit report and place an alert on your file.
- Tip 7.** To receive free email reminders to renew your fraud alerts and reorder your credit reports, register your email address at www.IDProtectMe247.com.
- Tip 8.** Request your free credit report through www.annualcreditreport.com or by calling 1-877-322-8228.
- Tip 9.** Avoid carrying Social Security cards, birth certificates or passports and extra credit cards. If you carry a health care card and your Social Security number is used as your ID number, ask if it can be changed.
- Tip 10.** Protect your debit and credit cards by registering them at www.IDProtectMe247.com.
- Tip 11.** Avoid using unsecured mailboxes. Promptly remove mail from your mailbox. Deposit outgoing mail containing personal information at your local post office. If you can't pick up your mail, contact the U.S. Postal Service at 1-800-275-8777 or www.usps.gov to request a vacation hold.
- Tip 12.** Stay informed by visiting the Identity Theft News Center at www.IDProtectMe247.com.
- Tip 13.** Select intricate passwords – don't use information that is easily available like your birth date, your mother's maiden name, phone number, or the last four digits of your Social Security number. Don't store passwords in your phone or carry them in your purse or wallet.
- Tip 14.** Shred your mail and important documents when disposing of bank statements, credit card bills, convenience checks, pre-approved credit offers, insurance statements and other documents that may contain personal information.

What if you have been impacted by Identity Theft?

If you have been affected by identity theft, a specialist will be available to assist you right away.

Simply call the IDProtect Service Center at 1-877-610-7889 for help with questions or to file an Identity Fraud Expense Reimbursement claim (please have your insurance certificate available when calling).

To speak to a Resolution Fraud Specialist: M-F, 8:30am-5:00pm – call 1-877-610-7889; After Hours – call 1-877-237-9602



24/7 News and Information at
www.IDProtectMe247.com

Lost Credit Card Notification

Call 24 hours a day to report lost or stolen cards:
1-877-610-7889

Need to file a claim?

If you have any questions regarding the identity theft insurance or wish to file a claim under the Master Policy, call 1-877-610-7889
Cellular Telephone Claim - call 1-877-610-7889

To speak with a Resolution Fraud Specialist:

M-F, 8:30am – 5:00pm EST – call 1-877-610-7889
After Hours – call 1-877-237-9602

PROVIDED BY:



Visit www.IDProtectMe247.com for more
Information or call 1-877-610-7889.
Access Code: OH362321



24/7 News and Information at
www.IDProtectMe247.com

Lost Credit Card Notification

Call 24 hours a day to report lost or stolen cards:
1-877-610-7889

Need to file a claim?

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Cellular Telephone Claim - call 1-877-610-7889

To speak with a Resolution Fraud Specialist:

M-F, 8:30am – 5:00pm EST – call 1-877-610-7889
After Hours – call 1-877-237-9602

PROVIDED BY:



Visit www.IDProtectMe247.com for more
Information or call 1-877-610-7889.
Access Code: OH362321





Personal Identity Theft

This Guide to Benefit describes the benefit in effect as of the date your financial institution elected this coverage. This benefit and description supersedes any prior benefit and description you may have received earlier. Please read and retain for your records.

Your eligibility is determined by the date your financial institution enrolled your account in the benefit.

What is the Personal Identity Theft benefit?

The Personal Identity Theft benefit offers reimbursement for covered expenses you incur to restore your identity. It also offers reimbursement for covered expenses your Family Members incur to restore their identity. The maximum reimbursement payable as a result of a Covered Stolen Identity Event is \$10,000.

Who is eligible for this benefit?

To be eligible for this benefit, you must be a valid accountholder, or the Family Member of an accountholder who lives with the accountholder, and reside in the United States or Canada.

What is a Covered Stolen Identity Event?

“Covered Stolen Identity Event” means the theft or unauthorized or illegal use of your name, Social Security number, or any other method of identifying you, the accountholder. For Family Members, it means the theft or unauthorized or illegal use of the Family member’s name, Social Security number, or any method of identifying the Family Member.

What is covered?

Covered costs under the Personal Identity Theft benefit are:

- Costs you or your Family Members incur for re-filing applications for loans, grants, or other credit or debt instruments that are rejected solely because the lender received incorrect information as a result of a Covered Stolen Identity Event.
- Costs for notarizing affidavits or other similar documents, long distance telephone calls, and postage reasonably incurred as a result of your or your Family’s efforts to report a Covered Stolen Identity Event or to amend or rectify records as to your or your Family Members’ true name or identity as a result of a Covered Stolen Identity Event.
- Reasonable and necessary costs incurred by you or your Family Member for ordering medical records for the purpose of amending and/or rectifying these documents as a direct result of a stolen identity event.
- Costs incurred by you or your Family Member for a maximum of six (6) credit reports, requested as a result of a Covered Stolen Identity Event, from any entity approved by the Benefit Administrator.
- Actual lost wages for time taken away from your work premises solely as a result of your efforts to amend or rectify records as to your or your Family Member’s true name or identity as a result of a Covered Stolen Identity Event.
- Costs for reasonable fees for an attorney appointed by the Benefit Administrator and related court fees you incur with the consent of the Benefit Administrator for:(1) suits brought against you or your Family Member by a creditor or collection agency or similar entity acting on behalf of a creditor for nonpayment of goods or services or default on a loan(2) removing any civil judgments wrongfully entered against you or your Family Member, (3) defending criminal charges brought against you or your Family Member, provided, it has been established that the covered individual

was not in fact the perpetrator; as a result of a Covered Stolen Identity Event.

- Reasonable and necessary cost of travel within the United States incurred as a result of your efforts to amend or rectify records as to your or your Family Member’s true name or identity as a result of a Covered Stolen Identity Event.
- Reasonable and necessary costs for elder care, spouse care, or child care incurred as a result of your efforts to amend or rectify records as to your or your Family Member’s true name or identity as a result of a Covered Stolen Identity Event.

What is not covered?

- Any dishonest, criminal, malicious, or fraudulent acts by you or your Family Member.
- Any damages, loss, or indemnification unless otherwise stated in this disclosure.
- Costs associated with any legal action or suit other than those set forth under Covered costs.
- Sick days and any time taken from self-employment.
- Any costs as a result of theft or unauthorized use of an account by a person to whom the account has been entrusted.

Is there a charge for these services?

No. Your financial institution provides this benefit to you at no additional cost.

When and where does this benefit apply?

Payment for Covered costs will be limited to costs incurred in the United States, its territories and possessions, Puerto Rico, or Canada for a loss occurring during the benefit period.

How do I file a claim?

Call our Benefit Administrator, toll-free, at **(877) 610 – 7889** immediately when you reasonably believe a Covered Stolen Identity Event has occurred and provide information including, but not limited to how, when, and where the Covered Stolen Identity Event occurred, as well as who was impacted.

The Benefit Administrator may also require other reasonable information or documents regarding the loss.

What documents need to be submitted with my claim?

A signed, sworn proof of loss or affidavit containing the information requested by the Benefit Administrator must be submitted within ninety (90) days of discovery of the stolen identity Event.

How will I be reimbursed?

Once your claim has been verified, under normal circumstances, reimbursement will be initiated within five (5) business days of receipt and approval of all required documents.

Do I have to do anything else?

- If you reasonably believe that a law may have been broken, a report must promptly be filed with the police.
- You and your Family Members must take all reasonable steps to mitigate possible costs.

Additional Provisions for Personal Identity Theft:

This benefit applies to you, an eligible account holder. This benefit also provides coverage for your Family Members. Family Member means your spouse, dependent children under the age of twenty-five (25), and your parents, who permanently live in the same residence as you at the time of the Stolen Identity Event. You and your Family Members must use due diligence and do all things reasonable to avoid or diminish any loss of or damage to property protected by the benefit.

If you make any claim knowing it to be false or fraudulent, no coverage shall exist for such claim. In addition, this benefit may be canceled. Each account holder agrees that representations regarding claims will be accurate and complete. Any and all relevant provisions shall be void in any case of fraud, intentional concealment, or misrepresentation of material fact.

Once you report a Covered Stolen Identity Event, a claim file will be opened and shall remain open for six (6) months from the date of the Covered Stolen Identity Event. No payment will be made on a claim that is not completely substantiated in the manner required by the Benefit Administrator within six (6) months of the Covered Stolen Identity Event.

After the Benefit Administrator has paid your claim of loss or damage, all your rights and remedies against any party in respect of this loss or damage will be transferred to the Benefit Administrator to the extent of the payment made to you. You must give the Benefit Administrator all assistance as may reasonably be required to secure all rights and remedies.

No legal action for a claim may be brought until sixty (60) days after we receive a Proof of Loss. No legal action against us may be brought more than three (3) years after the time for giving Proof of Loss. Further, no legal action may be brought against us unless all the terms of this Guide to Benefit have been complied with fully.

This benefit is provided to eligible account holders at no additional cost and is in effect for acts occurring while the benefit is in effect. The terms and conditions contained in this Guide to Benefit may be modified by subsequent endorsements. Modifications to the terms and conditions may be provided via additional Guide to Benefit mailings, statement inserts, or statement messages. The benefit described in this Guide to Benefit will not apply to account holders whose accounts have been suspended or canceled.

Termination dates may vary by financial institutions. Your financial institution can cancel or non-renew this benefit, and if we do, we will notify you at least thirty (30) days in advance. This information is a description

of the benefit provided to you as an account holder. It is insured by Indemnity Insurance Company of North America.

Policy Number: ADD N0652428A, Underwritten by Indemnity Insurance Company of North America, 436 Walnut Street, Philadelphia, PA 19106

For general questions regarding this benefit, call the Benefit Administrator at (877) 610 – 7889.



Cellular Telephone Protection

This Guide to Benefit describes the benefit in effect as of the date your financial institution elected this coverage. This benefit and description supersedes any prior benefit and description you may have received earlier. Please read and retain for your records.

Your eligibility is determined by the date your financial institution enrolled your account in the benefit.

What is Cellular Telephone Protection?

Subject to the terms and conditions provided in this Guide to Benefit, Cellular Telephone Protection will reimburse the enrolled accountholder (the "Accountholder", also referred to as "You" or "Your") for damage to or theft of eligible Cellular Wireless Telephones. Eligible Cellular Wireless Telephones are the primary line and up to the first two secondary, additional, or supplemental lines as listed on Your cellular provider's monthly billing statement for the billing cycle preceding the month in which the theft or damage occurred. Cellular Telephone Protection is subject to a fifty-dollar (\$50.00) co-payment per claim and a maximum of two (2) claims per twelve (12) month period. The maximum benefit limit is \$300.00 per claim and \$600.00 per twelve (12) month period.

Who is eligible for this protection?

To be eligible for Cellular Telephone Protection, You must be an accountholder of an eligible U.S.-based financial institution enrolled in the Cellular Telephone Protection benefit and charge Your monthly Cellular Wireless Telephone bills to Your eligible account. Only Cellular Wireless Telephones purchased by the accountholder will be covered.

Following the program effective date set forth above, Your Cellular Telephone Protection begins the first day of the calendar month following the payment of the Cellular Wireless Telephone bill using an eligible

account. If the accountholder fails to make a Cellular Wireless Telephone bill payment in a particular month, the Cellular Telephone Protection is suspended. Provided the Cellular Telephone Protection continues to be offered, the benefit will resume on the first day of the calendar month following the date of any future Cellular Wireless Telephone bill payment with the eligible account.

What type of protection is this?

Cellular Telephone Protection is supplemental to, and excess of, valid and collectible insurance or indemnity (including, but not limited to, Cellular Wireless Telephone insurance programs, homeowner's, renter's, automobile, or employer's insurance policies). After all insurance or indemnity has been exhausted, Cellular Telephone Protection will cover the damage or theft up to \$300.00 per claim, subject the terms, conditions, exclusions, and limits of liability of this benefit as well as the fifty-dollar (\$50.00) co-payment. The maximum limit of liability is \$300.00 per claim occurrence, and \$600.00 per twelve (12) month period.

You will receive no more than the purchase price less your fifty-dollar (\$50.00) co-payment as recorded on Your submitted receipt.

What is not covered?

- Cellular Wireless Telephone accessories other than standard battery and/or standard antenna provided by the manufacturer.
- Cellular Wireless Telephones purchased for resale, professional, or commercial use.
- Cellular Wireless Telephones that are lost or "mysteriously disappear." "Mysterious disappearance" means the vanishing of an item in an unexplained manner where there is absence of evidence of a wrongful act by a person or persons.
- Cellular Wireless Telephones under the care and control of a common carrier (including, but not limited to, U.S. Postal Service, airplanes, or delivery service).

- Cellular Wireless Telephones stolen from baggage unless hand-carried and under Your personal supervision, or under the supervision of Your traveling companion who is previously known to You.
- Cellular Wireless Telephones stolen from a construction site.
- Cellular Wireless Telephones which have been rented, leased, borrowed or Cellular Wireless Telephones that are received as part of a pre-paid plan or "pay as you go" type plans.
- Cosmetic damage to the Cellular Wireless Telephone or damage that does not impact the Cellular Wireless Telephone's ability to make or receive phone calls.
- Damage or theft resulting from abuse, intentional acts, fraud, hostilities of any kind (including, but not limited to, war, invasion, rebellion, or insurrection), confiscation by the authorities, risks of contraband, illegal activities, normal wear and tear, flood, earthquake, radioactive contamination, or damage from inherent product defects or vermin.
- Damage or theft resulting from misdelivery or voluntary parting with the Cellular Wireless Telephone.
- Replacement Cellular Wireless Telephone not purchased from a cellular service provider's retail or Internet store (or authorized reseller).
- Taxes, delivery and transportation charges, and any fees associated with the cellular service provider.

Do I need to keep copies of receipts or any other records?

Yes. If You want to file a claim, You will need copies of Your account statement reflecting monthly Cellular Wireless Telephone bill payments during the time of the damage or theft and Your store receipt for purchase of Your new Cellular Wireless Telephone.

How do I file a claim?

Call the Benefit Administrator at **(877) 610 - 7889** within sixty (60) days of damage or theft. Please note: If You do not give such notice within sixty (60) days after the damage or theft Your claim may be denied.

The Benefit Administrator representative will ask You for some preliminary claim information and send You the appropriate claim form. This claim form must be completed, signed, and returned with all the requested documentation within ninety (90) days from the date of damage or theft of the eligible Cellular Wireless Telephone or Your claim may be denied.

What do I need to submit with my claim?

- Your completed and signed claim form.
- Copies of Your account statement reflecting the entire monthly Cellular Wireless Telephone payments for the month preceding the date of damage or theft.
- A copy of Your cellular wireless service provider billing statement that corresponds with the above account statement.
- A copy of the original Cellular Wireless Telephone purchase receipt or other sufficient proof, as determined in the Benefit Administrator's sole discretion, of the Cellular Wireless Telephone model currently linked to Your Cellular Wireless Telephone account.
- If the claim is due to theft or criminal action, a copy of the police report filed within forty-eight (48) hours of the occurrence.
- If the claim is due to damage, a copy of an insurance claim or other report as the Benefit Administrator, in its sole discretion, deems necessary to determine eligibility for coverage. In addition the Benefit Administrator may in its sole discretion require (a) an itemized estimate of repair from an authorized Cellular Wireless Telephone repair facility or (b) the Accountholder to submit the Cellular Wireless Telephone to the Benefit Administrator to evaluate the damage or (c) an itemized store receipt for the replacement Cellular Wireless Telephone showing the purchase was made at a cellular service provider's retail or Internet store (for example: Verizon Wireless, AT&T, Sprint, etc.).
- If the claim amount is less than Your personal homeowner's, renter's, or automobile insurance deductible, a copy of Your insurance policy personal declaration page is sufficient for Your claim. If the claim amount is greater than Your personal homeowner's, renter's, or automobile insurance deductible, You are required to file a claim with Your applicable insurance company and to submit a copy of any claims settlement from Your insurance company along with Your claim form.

- Documentation (if available) of any other settlement of the claim.
- Any other documentation deemed necessary, in the Benefit Administrator's sole discretion, to substantiate Your claim. All claims must be fully substantiated as to the time, place, cause, and purchase price of the Cellular Wireless Telephone.

How will I be reimbursed?

Depending on the nature and circumstances of the damage or theft, the Benefit Administrator, at its sole discretion, may choose to repair or replace the Cellular Wireless Telephone or reimburse the accountholder for the lesser of a) \$300.00 excess of the fifty-dollar (\$50.00) co-payment; or b) the current suggested retail price of a replacement Cellular Wireless Telephone of like kind and quality, excluding taxes, delivery and transportation charges, and any fees associated with the Cellular Wireless Telephone service provider, less the fifty-dollar (\$50.00) co-payment.

Please note: Cellular Telephone Protection is subject to a maximum of two (2) claim occurrences per twelve (12) month period. Under normal circumstances, reimbursement will take place within ten (10) business days of receipt and approval of claim form and all required documents.

Additional Provisions for Cellular Telephone Protection:

This protection provides benefits only to You, an eligible accountholder. You shall use due diligence and do all things reasonable to avoid or diminish any loss or damage to the Cellular Wireless Telephone from damage or theft. This provision will not be applied unreasonably to avoid claims.

If You make any claim knowing it to be false or fraudulent in any respect including, but not limited to, the cost of repair services, no coverage shall exist for such claim and the Cellular Telephone Protection benefit may be canceled. Each accountholder agrees that representations regarding claims will be accurate and complete. Any and all relevant provisions shall be void in any case of fraud, intentional concealment, or misrepresentation of material fact.

Once You report an occurrence of damage or theft, a claim file will be opened and shall remain open for six (6) months from the date of the damage or theft. No payment will be made on a claim that is not completely substantiated in the manner required by the Benefit Administrator within six (6) months of the date of damage or theft.

After the Benefit Administrator has paid Your claim, all Your rights and remedies against any party in respect of this claim will be transferred to the Benefit Administrator to the extent of payment made to You. You must give all assistance as may be reasonably necessary to secure all rights and remedies.

No legal action for a claim may be brought against Us until sixty (60) days after the Benefit Administrator receives all necessary documentation needed to substantiate damage or theft. After the expiration of three (3) years from the time written Proof of Loss was to be provided, no action shall be brought to recover on this benefit. Further, no legal action may be brought against Us unless the terms and conditions of this Guide to Benefit have been complied with fully.

This benefit is provided to eligible accountholders at no additional cost. The terms and conditions contained in this Guide to Benefit may be modified by subsequent endorsements.

Modifications to the terms and conditions may be provided via additional Guide to Benefit mailings, statement inserts, or statement messages. The benefit described in this Guide to Benefit will not apply to accountholders whose accounts have been suspended or canceled. The Cellular Telephone Protection described in this Guide to Benefit will not apply to accountholders whose applicable account(s) are closed, delinquent, or otherwise in default.

Termination dates may vary by financial institutions. Your financial institution can cancel or non-renew the benefit, and if we do, we will notify You at least thirty (30) days in advance. This information describes the benefit provided to You as an accountholder. It is insured by Indemnity Insurance Company of North America.

For general questions regarding this benefit, call the Benefit Administrator at (877) 610 – 7889.

This information is current as of the date noted above and is subject to change without notice.

SHARE SAVINGS

Minimum Balance requirements - You must deposit \$5 to open this account. A minimum daily balance of \$50.00 is required in order to earn the stated APY for the dividend period. If the minimum daily balance is not met, you will not earn the stated Annual Percentage Yield.

Rate Information - See separate Deposit Rates below. Your dividend rate and annual percentage yield may change at any time determined by our Board of Directors. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the collected principal in the account each day.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period. If you close your share account before dividends are credited, you will not receive accrued dividends

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Transaction Limitations This account is limited to no more than six (6) preauthorized, automatic, or telephone transfers may be made from these accounts to another account of yours or to a third party in any month, and no more than three (3) of these six (6) transfers may be by check, draft, or debit card to a third party. If you exceed these limitations, your account may be subject to a fee or be closed.

MONEY MARKET SAVINGS

Minimum Balance Requirements - You must deposit \$2,000.00 to open this account. A minimum daily balance of \$50.00 is required in order to earn the stated APY for the dividend period. If the minimum daily balance is not met, you will not earn the stated Annual Percentage Yield.

Rate Information - See separate Deposit Rates below. If the balance falls below \$2000.00 your dividend rate will be the same as our Regular Share Account. See separate Deposit Rate sheet. Your dividend rate and annual percentage yield may change at any time determined by our Board of Directors. The dividends and Annual Percentage yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the collected principal in the account each day.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period.

If you close your money market account before dividends are credited, you will not receive accrued dividends.

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Transaction Limitations This account is limited to no more than six (6) preauthorized, automatic, or telephone transfers may be made from these accounts to another account of yours or to a third party in any month, and no more than three (3) of these six (6) transfers may be by check, draft, or debit card to a third party. If you exceed these limitations, your account may be subject to a fee or be closed.

CERTIFICATES

Minimum Balance Requirements - You must deposit \$1,000.00 to open this account. You must maintain a minimum balance of \$1,000.00 in your account every day to obtain the annual percentage yield.

Rate Information - See separate Deposit Rates below. The annual percentage yield assumes dividends remain on deposit until maturity. Any payment of dividends to you prior to maturity will reduce your earnings. Dividends for your account will be compounded monthly. Dividends will be paid/credited monthly. Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Balance Computation Method - We use the daily balance method to calculate the dividend on your account. This method applies a daily periodic rate to the principal in the account each day.

Transaction Limitations - After the account is opened, you may not make deposits or withdrawals from the account until the maturity date.

Early Withdrawal Penalty - If you withdraw any principal before the maturity date, your account will be assessed a penalty that is equal to all dividends that could have been earned during a period equal to one half of the term. If the penalty to be applied exceeds the amount of dividends earned at the time of withdrawal, then the portion of the penalty in excess of the dividend earned shall be deducted from the principal amount in determining the redemption value.
Renewal Policy - The account will automatically renew for the amount then on deposit and for the same term and at the Cincinnati Police Federal Credit Union's prevailing dividend rate for such type of deposit and term. You have a grace period of ten (10) calendar days after the maturity date to withdraw the funds without being charged a penalty. If you choose to withdraw the funds during the original or any subsequent grace period, no dividend will be paid during the respective grace period.

Y12 CERTIFICATES

Minimum Balance Requirements - You must deposit \$250.00 to open this account. You must maintain a minimum balance of \$250.00 in your account every day to obtain the annual percentage yield. One account per member with a maximum of \$1,000.00. Member must be under the age of 15 years old to qualify.

Rate Information - See separate Deposit Rates below. Dividends for your account will be compounded monthly. Dividends will be paid/credited monthly to the Primary Savings Account. Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account

Balance Computation Method - We use the daily balance method to calculate the dividend on your

account. This method applies a daily periodic rate to the principal in the account each day.

Transaction Limitations - After the account is opened, you may not make deposits or withdrawals from the account until the maturity date.

Early Withdrawal Penalty - If you withdraw any principal before the maturity date, your account will be assessed a penalty that is equal to all dividends that could have been earned during a period equal to one half of the term. If the penalty to be applied exceeds the amount of dividends earned at the time of withdrawal, then the portion of the penalty in excess of the dividend earned shall be deducted from the principal amount in determining the redemption value.

Renewal Policy - At Maturity the balance of the account will automatically transfer to the primary share account.

CHECKING

SIMPLE & FREE CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. There is no minimum balance requirement for this account.

Rate Information - This is a non-dividend bearing account.

50+ INTEREST CHECKING

General Requirements - At least one signer on the account must be age 50 or older.

Minimum Balance Requirements - You must deposit \$25.00 to open this account. There is no minimum balance requirement for this account.

Rate Information - See separate Deposit Rates below. The Annual Percentage Yield is a percentage that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. Your dividend rate and annual percentage yield may change at any time determined by our Board of Directors. The dividends and Annual Percentage Yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the collected principal in the account each day.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period. If you close your 50+ Interest Checking account before dividends are credited, you will not receive accrued dividends

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

ELITE INTEREST CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. A minimum daily balance of \$1,500.00 is required to avoid a monthly service charge.

Rate Information - See separate Deposit Rates below. The Annual Percentage Yield is a percentage that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. Your

dividend rate and Annual Percentage Yield may change at any time determined by our Board of Directors. The dividends and Annual Percentage Yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the collected principal in the account each day.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period. If you close your Elite Interest Checking account before dividends are credited, you will not receive accrued dividends.

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Service Charges - See separate fee schedule for monthly service charge.

SECURE CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. There is no minimum balance requirement for this account.

Rate Information - This is a non-dividend bearing account.

Service Charges - See separate fee schedule for monthly service charge.

SECOND CHANCE CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. There is no minimum balance requirement for this account.

Rate Information - This is a non-dividend bearing account.

Service Charges - See separate fee schedule for monthly service charge.

SIMPLE & FREE BUSINESS CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. There is no minimum balance requirement for this account.

Rate Information - This is a non-dividend bearing account.

Transaction Limitations - This account includes 1,000 free transactions (debits and credits).

ELITE BUSINESS INTEREST CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. A minimum daily balance of \$5,000.00 is required to avoid a monthly service charge.

Rate Information - See separate Deposit Rates below. The Annual Percentage Yield is a percentage that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. Your dividend rate and Annual Percentage Yield may change at any time determined by our Board of Directors. The dividends and Annual Percentage Yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the collected principal in the account each day.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period. If you close your Elite Business Interest Checking account before dividends are credited, you will not receive accrued dividends.

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Service Charges - See separate fee schedule for monthly service charge.

HSA CHECKING

Minimum Balance Requirements - You must deposit \$25.00 to open this account. A minimum daily balance of \$50.00 is required in order to earn the stated APY for the dividend period. If the minimum daily balance is not met, you will not earn the stated Annual Percentage Yield.

Rate Information - See separate Deposit Rates below. The Annual Percentage Yield is a percentage that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. Your dividend rate and annual percentage yield may change at any time determined by our Board of Directors. The dividends and Annual Percentage Yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a daily periodic rate to the collected principal in the account each day.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last calendar day of the period. If you close your HSA Checking account before dividends are credited, you will not receive accrued dividends.

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

IRA SHARES

Rate Information - See separate Deposit Rates below. The Annual Percentage Yield is a percentage that reflects the total amount of dividends to be paid on an account based on the dividend rate and frequency of compounding for an annual period. Your dividend rate and annual percentage yield may change at any time determined by our Board of Directors. The dividends and Annual Percentage yields are the prospective rates and yields that the Credit Union anticipates paying for the applicable dividend period. Dividends are paid from current income and available earnings after required transfers to reserves at the end of the dividend period.

Balance Computation Method - We use the daily balance method to calculate dividends on your account. This method applies a periodic rate to the average daily balance in the account for the period.

Compounding and Crediting - The Dividend Period is the period of time at the end of which an account earns dividend credit. Dividends on your account will be compounded monthly and credited to your account monthly. The Dividend Period begins on the first calendar day of the period and ends on the last

calendar day of the period. If you close your IRA Share account before dividends are credited, you will not receive accrued dividends.

Accrual of Dividends on Deposits Other than Cash - Dividends will begin to accrue on non-cash deposits (e.g. checks) on the business day you make the deposit to your account.

Transaction Limitations - This account is limited to no more than six (6) preauthorized, automatic, or telephone transfers may be made from these accounts to another account of yours or to a third party in any month, and no more than three (3) of these six (6) transfers may be by check, draft, or debit card to a third party. If you exceed these limitations, your account may be subject to a fee or be closed.

Current Deposit Rates

Share Savings & IRA Savings Rates

Type	APY	Rate
Share Savings Account	0.05%	0.05%
IRA Savings Account	0.10%	0.10%

Checking Rates

Type	APY	Rate
50+ Interest Checking	0.05%	0.05%
Elite Interest Checking		
Balance: \$0.00 - \$1,499.99	0.05%	0.05%
Balance: \$1,500.00 +	0.15%	0.15%

Business Checking Rates

Type	APY	Rate
Elite Interest Checking		
Balance: \$0.00 - \$4,999.99	0.05%	0.05%
Balance: \$5,000.00 +	0.15%	0.15%

HSA Checking Rates

Balance	APY	Rate
\$50.00 - \$499.99	0.05%	0.05%
\$500.00 - \$2,499.99	0.05%	0.05%
\$2,500.00 - \$9,999.99	0.10%	0.10%
\$10,000 +	0.15%	0.15%

Money Market Rates

Balance	APY	Rate
\$2,000.00 - \$9,999.99	2.05%	2.03%
\$10,000.00 - \$24,999.99	2.10%	2.08%
\$25,000.00 - \$49,999.99	2.15%	2.13%
\$50,000.00 - \$99,999.99	2.20%	2.18%
\$100,000.00 +	2.25%	2.23%

CD, IRA & HSA Certificates

Type	Min. Deposit	APY	Rate
3 Month	\$1,000	3.00%	2.960%
6 Month	\$1,000	3.75%	3.687%
9 Month	\$1,000	3.75%	3.687%
1 Year	\$1,000	3.85%	3.783%
18 Month	\$1,000	4.00%	3.928%
2 Year	\$1,000	3.50%	3.445%
30 Month	\$1,000	3.50%	3.445%
3 Year	\$1,000	3.50%	3.445%
4 Year	\$1,000	3.55%	3.493%
5 Year	\$1,000	3.55%	3.493%
Y-12 Youth CD	\$250	5.00%	4.888%

Money Market and Certificate balances are eligible for rate bonuses through the Rewards Plus program.

Earn an additional +.05%, +.15% or +.25% based on the Accounts, Loans and Services you use.

Learn more at copfcu.com or contact us.

Federally Insured by NCUA. Equal Housing Lender.