

# 121 FINANCIAL CREDIT UNION

## MEMBERSHIP & ACCOUNT AGREEMENT

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This Agreement covers your and our rights and responsibilities concerning account(s) offered to you by 121 Financial Credit Union (Credit Union). In this Agreement, the words "you" and "yours" mean anyone who signs an application or account change card (or any other account opening document) or anyone signing in a representative capacity appointed by or on behalf of the owner(s) to sign on the account. The words "we," "us," and "our" mean 121 Financial Credit Union. The word "account" means any one or more share or other accounts you have with us. The account type, classification, and ownership features, and any beneficiary designation of your account are set forth on your application. By signing an application, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the application, any other disclosures accompanying this Agreement, the Credit Union's Bylaws and policies, and any amendments of these documents from time to time which collectively govern your Membership and Accounts.

**1. Membership Eligibility.** To join the Credit Union you must meet the membership requirements, including the purchase and maintenance of at least one (1) share ("membership share") as set forth in the Credit Union's Bylaws.

**2. Individual Accounts.** An individual account is an account owned by one member (individual) 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, to any security interest or pledge granted by the account owner, and to our statutory lien rights.

**3. Joint Accounts.** An account owned by two or more persons is a joint account.  
**a. Rights of Survivorship.** All joint accounts include rights of survivorship. This means when one 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 pledge, security interest or contractual lien 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, requests for future services, and other account matters. Any account owner may withdraw all funds in the account, close the account, stop payment on items drawn on an account, or transfer or pledge to the Credit Union all or any part of the shares of any account without the consent of the other account owner(s) and the Credit Union shall have no duty in such event to notify any other account owner(s). Without the consent of the other account owner(s), any account owner may request and we may approve services or access devices, including but not limited to VISA Debit Card, Audio Response, Internet Banking, automatic transfer, and electronic record delivery. You understand that with these services and access devices an account owner can access all account(s) and loan(s) including but not limited to making loan advances on certain loan types whether or not they are obligated to that loan. We reserve the right at any time to require written consent of all account owners for a change of ownership, services, or termination of a joint account. If the Credit Union is notified of, or has reason to believe that there is, a dispute between account owners or that the ownership of funds or the right to make withdrawals is disputed, or if the Credit Union receives inconsistent instructions from account owners, the Credit Union may suspend or terminate the account and require a court order or written consent of all owners.

**4. POD Account Designations.** A Payable on Death (POD) account designation is an instruction to the Credit Union that an account so designated is payable to the owner(s) during his, her or their lifetimes and upon the death of the last account owner, payable to any named and surviving POD beneficiary. Accounts payable to more than one surviving beneficiary are owned jointly by such beneficiaries without right of survivorship, meaning the interest of a deceased beneficiary passes to his or her estate. Any contractual or statutory lien must first be satisfied before the rights of any POD Beneficiary become effective. At the Credit Union's option, the debt may be satisfied with the funds in the account. Any POD beneficiary designation shall not apply to Individual Retirement Accounts (IRAs), which shall be governed by a separate beneficiary designation. We are not obligated to notify any beneficiary of the existence of any account or the vesting of the beneficiary's interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or held in the name of a trust.

**5. Accounts for Minors.** For any Account established by or in the name of a minor, we reserve the right to require the minor account to be a multiple owner account with an owner who has reached the age of majority under state law who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on or in such account. We may make payments of funds directly to the minor without regard to his minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any right to access the account. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or any account owner. The Credit Union shall not change the account status when the minor reaches the age of majority, unless authorized to do so in writing by all account owners.

**6. 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. 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. Only individual accounts can have an agency designation.

**7. 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. The Credit Union has the right to limit, refuse, or return any deposit. If we discover an error in any deposit, we will make correcting entries and will notify you of the correction.

**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 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 in the item. Any loss incurred from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. The Credit Union reserves the right, in its sole discretion, not to accept

items that contain multiple endorsements.

b. Remotely Created Checks. "Remotely created checks" are typically created when the holder of a checking account authorizes a payee to draw a check on that account but does not actually sign the check. In place of the signature of the account-holder, the remotely created check generally bears a statement that the customer authorized the check or bears the customer's printed or typed name. The Credit Union reserves the right not to accept any remotely created check.

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

d. Final Payment. All 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 whether the actual item is returned or not, and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer. The Credit Union shall have the right to charge back against your account all previously deposited items or other items endorsed by you that are returned to the Credit Union unpaid, regardless of whether the amount of the item has been available for your use. If a deposited item is returned unpaid, an account is overdrawn, or if we do not receive final payment on any transaction, the owner(s), jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, now or in the future, we may enforce our rights against any account of an owner or all funds in the joint account regardless of who contributed them.

e. Direct Deposits. We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposits, including deposits of government payments or benefits. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

f. Crediting of Deposits. Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will be credited to your account on the next business day. Deposits made by mail or at unstaffed facilities, such as night depositories, are not our responsibility until we receive them from the post office or retrieve them from the unstaffed facilities. They will be credited on the day funds are removed and processed by the Credit Union.

## 8. Account Access.

a. Authorized Signature. Your signature on the Application authorizes you to access your account. 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 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 number even if you do not authorize a particular transaction.

b. Access Options. You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an automated teller machine (ATMs) or point-of-sale terminal, in person, by mail, automatic transfer, draft, audio response, Internet Banking, BillPayer, or telephone, as applicable).

c. Power of Attorney. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no

obligation to honor any power of attorney. If the Credit Union does, in its sole discretion, accept or act upon a power of attorney presented to it, any action taken by the Credit Union pursuant to the power of attorney shall be binding upon you provided that such action is taken before the Credit Union receives and has a reasonable opportunity to act upon: (1) written notice of revocation of the power of attorney; (2) written notice of death of the donor of the power of attorney; (3) written notice of a pending petition to determine the donor's competency or capacity or to appoint a guardian unless it is a durable power of attorney; or (4) written notice that a guardian of the donor's person or property has been appointed.

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

9. **Account Rates and Fees.** We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure and Fee Schedule.

## 10. Transfer Limitations.

a. Withdrawal Restrictions. We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Drafts or other transfer or payment orders, which are drawn against insufficient funds, may be subject to a service charge, as set forth in the Fee Schedule. If there are sufficient funds to cover some, but not all, of your withdrawals, we may allow those withdrawals for which there are sufficient funds in any order at our discretion. We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: (1) 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; (5) you fail to repay a Credit Union loan on time. We may require you to give written notice of seven (7) days to sixty (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.

11. **Overdrafts.** We are not obligated to pay any item if funds in your account are not sufficient to pay the full amount of the item. However, we may, at our option, pay such item or permit a withdrawal even though the payment or withdrawal causes an overdraft in the account. Except as otherwise agreed in writing, by covering one or more overdrafts, we do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. Subject to applicable law, your account may be subject to a charge for each overdraft regardless of whether we pay or return the overdraft. If we pay an overdraft or impose a fee that overdraws your account, you agree to pay the overdrawn amount in accordance with your overdraft protection plan or, if you do not have such a plan, in accordance with our overdraft policy.

12. **Order of Payment.** We process checks, drafts, items and other transactions in the order in which we receive them. The order in which we process checks, drafts, and items and execute other transactions on your account may affect the total amount of overdraft fees that may be charged to your account. The order in which we process checks, drafts, and other items may change at any time.

13. **Stop Payment Orders.** We may, in our sole discretion, stop payment on any item drawn upon your account if we receive a stop payment order in writing in time for us to act upon the order. Your stop payment order must provide the number of the account, date and number of the item, its exact amount and to whom it was issued. If you do not give us a proper stop payment order as described above, we will not be liable to you or any other party for paying the item. Stop payment orders are effective for six months. To continue the effectiveness of a stop payment order, it must be renewed in writing every six months. Stop payment orders are ineffective for any guaranteed, certified, cashier's, or teller's items. If you stop payment on an item, you may still be liable to any person, including us, who is a holder of the item. If you place a proper stop payment order and the item is paid through no fault of yours, we will only be liable for your actual damages and will not be liable for any resulting consequential damages.

14. **Postdated and Staledated Checks.** You agree you will not deposit items to your account before they are properly payable. You also agree not to date a check

drawn on your account later than the date you write it. If you issue a check payable on a date after the date you write it and we pay it before that date, you agree that we shall have no liability to you for payment. We are not obligated to pay any check drawn on your account that is presented more than six (6) months past its date.

**15. Pledge/Statutory Lien.** Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, whether as a borrower, guarantor, endorser, account owner, or otherwise, except obligations secured by your principal residence, all shares and dividends and all deposits and interest, if any, in any account you have or in which you have an ownership interest with us, regardless of the source of the funds, or whether the debt is individual and the account is joint, or the debt is joint and the account is individual, and regardless of whether the withdrawal of funds by the Credit Union from any of your accounts results in an interest penalty or the dishonor of subsequent checks or drafts. If you pledge a specific dollar amount in your account 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. Florida law 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 state or federal 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. We may exercise our statutory lien rights without further notice to you. Your pledge and our statutory lien will allow us to apply the funds in your account to what you owe when you are delinquent or in default, except as limited by state or federal law. If we do not apply the funds in your account(s) to satisfy your obligation, we may place an administrative freeze on your account(s) in order to protect our statutory lien rights and may apply the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security. By not enforcing our right to apply funds in your account to your obligations that are in default, we do not waive our right to enforce these rights at a later time. All accounts are non-assignable and nontransferable to third parties.

**16. 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. Any expenses or attorney fees we incur responding to a 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. We may charge you a fee for legal processing, as set forth in the Fee Schedule.

**17. Indemnity of Credit Union.** If we take any action with respect to your account in accordance with your written instructions and we incur any loss, liability, damage, cost, or expense (including the expense of employing legal counsel to defend us) as a result of any claim, demand, action, suit, or proceeding brought or made by any party, you agree to indemnify and hold us harmless from and against such loss, liability, or damage and to reimburse us for such cost or expense.

**18. Consumer Reporting.** Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account. You authorize us to report information about your account to any consumer reporting agency. Please see the "Privacy Notice" for more information on account privacy.

**19. Notices.**

a. **Name or Address Changes.** You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We require any notice of change to be made in writing. If any statement or other correspondence is returned to us because of an incorrect address, we may stop sending statements to you. If you have an invalid address on your account, we may impose a fee as set forth in the Fee Schedule.

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

c. **Effect of Notice.** Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail,

postage prepaid and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners. Any one of you can notify us and we may consider it to be notice from all of you, however, we reserve the right at any time to require written notice from all account owners. All notices must be in writing unless required otherwise.

**20. Statements.**

a. **Contents.** We will provide you a periodic statement of transactions and activity on your account during the statement period, as required by applicable law, either monthly or quarterly depending on the type of account and the services you have with us. You agree that only one statement is necessary for a joint account. For share draft (checking) accounts, you understand and agree that your original draft, when paid, becomes property of the Credit Union and is not returned to you; however, copies are available upon your request, or through online banking. You understand and agree that statements are made available to you on the date they are sent to you. You also understand and agree that statements generally are made available to you by the second day of each month, if provided electronically, and by the seventh business day of the month if you choose to receive a paper statement.

b. **Examination.** You are responsible for examining each statement and reporting any errors or irregularities to us. If you fail to report any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, erroneous payments or transactions, or other discrepancies reflected on your statement within sixty (60) days of the statement mailing date, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine. If any statement is returned to us because of an incorrect address, we may stop sending statements to you. You will be responsible to the same care in reviewing the statements as if they were mailed.

c. **Notice to Credit Union.** You agree that the Credit Union's retention of 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 fourteen (14) days of the time you regularly receive a statement.

**21. Inactive Accounts.** If a deposit or withdrawal has not been made on your account within a one (1) year period, the Credit Union may classify your account as an inactive account. If your account falls below any applicable minimum balance and you have not made any transactions over a period specified in the Fee Schedule, the Credit Union may charge an inactive account fee. If we impose a fee, we will notify you, as required by law, at your last known address. 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, 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 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, and if you choose to reclaim such funds you must apply to the appropriate state agency.

**22. 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. Account changes requested by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Change form and accepted by us. If we, in our sole discretion, need to consult our legal counsel regarding your request for our own protection or to properly accommodate your request, you agree to reimburse us any attorneys' fees.

**23. Termination of Account.** We may terminate your account at any time without notice to you, or we may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there is a death

of one or more of the owners; (3) there has been a forgery or fraud reported or committed involving your account; (4) there is a dispute as to the ownership of the account or of the funds in the account; (5) any share drafts are lost or stolen; (6) there are excessive returned unpaid items not covered by an overdraft protection plan; (7) there has been any misrepresentation or any other abuse of any of your accounts; or (8) we reasonably deem it necessary to prevent a loss to us. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any draft, withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

**24. Suspension of Services.** If you become delinquent in any loan payment, if any account of yours is overdrawn, or for any other good reason, as determined by us in our sole discretion, we may suspend any and/or all services.

**25. Termination of Membership.** You may terminate your membership by giving us notice and paying any amounts owed to us. The Credit Union may terminate your membership for cause. Reasons for termination are in the sole discretion of the Credit Union, including but not limited to: if you cause a loss to the Credit Union; provide false information when applying for any account, service or loan; commit or facilitate any fraudulent act; are repeatedly abusive or threaten violence to any of our employees; are disruptive to our business environment; or if you reduce your share balance below the par value of one share and do not increase the balance to at least the par value of one share within six months of the reduction.

**26. Fraudulent Activity.** In the event your account information is compromised or there is fraudulent activity on your account, you agree to notify the Credit Union immediately. You agree to complete all necessary documentation, including but not limited to police reports and affidavits. You agree to assist the Credit Union and law enforcement agencies in the investigation and prosecution of those responsible for the fraudulent activity.

**27. Death of Account Owner.** We may continue to honor all transfer orders, withdrawals, deposits; and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten (10) days after the date of death or until we have sufficient time to act upon such notice, whichever is later, unless we receive instructions from any person claiming an interest in the account to stop payment on the 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.

**28. 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.

**29. Enforcement.** You are liable to us for any loss, cost, or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs, or expenses from your account without prior notice to you. You agree that any cost and fees (including outside collections agency and attorney's fees) associated with the collections of amounts you owe the credit union under this agreement, including account overdrafts, account deficiencies, or charges to your account, will be added to the amount you owe us. 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.

**30. Governing Law.** This Agreement is governed by the Credit Union's Bylaws, federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the state of Florida, and local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union is located.

**31. 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 on your credit report.

**32. USA Patriot Act – Procedures for Opening a New Account** To help the government fight the funding of terrorism and money laundering activities, Federal law (The Patriot Act) 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, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

P.O. Box 16688 • Jacksonville FL 32245  
904.723.6300 • [www.121fcu.org](http://www.121fcu.org)



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