

MEMBERSHIP AGREEMENT TERMS AND CONDITIONS OF YOUR ACCOUNT

This Agreement is the contract which covers your and our rights and responsibilities concerning Membership and Account(s) offered to you. It is your responsibility to retain a copy of this agreement for your records. In this Agreement, the words "you" and "yours" mean those who complete the Membership Application. The words "we," "us," and "our" mean New England Federal Credit Union ("Credit Union"). The word "account" means any one or more share accounts you have with the Credit Union.

There is nothing in this document that is intended to vary the Credit Union's duty to act in good faith and with ordinary care when required by law.

The classification and form of ownership of your accounts are designated on your Membership Application. By signing or electronically consenting to the Membership Application that is a part of the Agreement, each of you, jointly and severally, agree to the terms and conditions in this Agreement, including the Funds Availability Policy, Electronic Funds Transfer Agreement, the Truth-in-Savings Disclosure and Pricing Schedule accompanying this Agreement, any account receipt, the Credit Union's bylaws and policies, and any amendments which collectively govern your Membership and Accounts. You agree that additional accounts and services you request in the future will be governed by this Agreement, as amended from time to time.

We reserve the right to refuse any account for cause. In addition, use of our name or logo in connection with any account, including for marketing and/or advertising, is prohibited without the prior written consent of us, at our sole discretion.

IMPORTANT ACCOUNT OPENING INFORMATION - 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. When you open an account, we will ask for your name, address, date of birth, and taxpayer identification number that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

MEMBERSHIP ELIGIBILITY - To be eligible for membership in the Credit Union you must be an individual or entity qualifying within the Credit Union's field of membership and must satisfy the membership qualifications as required by the Credit Union's Bylaws. Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. Pursuant to credit union bylaws the Board of Directors has set the par value of shares at \$5.00. Membership will be subject to termination if your share value falls below the par value of one share and does not increase within thirty days. You may obtain a copy of the bylaws on request. You authorize us to check financial information data, and employment history about you by any means allowed by law, including, but not limited to, obtaining a credit report or credit score from any consumer reporting agency to verify your eligibility for any accounts and services we offer or you request, including for the purposes of account review, ongoing evaluation of depository services, including discretionary overdraft services, granting of credit, and/or collections.

Members, with an unacceptable credit record or history of writing "not sufficient funds" checks, may not be eligible to open or maintain certain types of accounts or services.

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

Individual Accounts

An individual account is an account owned by one depositor including any individual, trust, or other organization qualified for Credit Union membership. If the account is an individual account, the interest of a deceased individual owner will pass, subject to applicable law, to the decedent's estate or Informal Trust beneficiary, if applicable.

Joint Account

A joint account is an account in the name of two or more persons.

Rights of Survivorship

If your account is a joint account, the account is owned as a joint account with rights of survivorship. Upon the death of one of the joint account owners, that person's interest will become the property of the surviving joint account owners.

Rights of Joint Account Owners

Any joint account owner is authorized and deemed to act for the other owner(s) and the Credit Union may accept orders and instructions regarding the account and requests for future services from any other account owner. Each account owner guarantees the signature of the other owners. Any account owner may withdraw all funds in the account, stop payment on items drawn on an account, withdraw, or pledge all or any part of the shares of any account, including funds representing a membership share, without the consent of the other account owner(s) and the Credit Union shall have no duty to notify any other joint account owner(s). If the Credit Union receives written notice of a dispute between account owners or receives inconsistent instructions from them, the Credit Union may suspend or terminate the account, require a court order to act, or require that all joint account owners agree in writing to any transaction concerning the account.

Joint Account Owner Liability

If any item deposited in a joint account is returned unpaid or an account is overdrawn, or if we do not receive final payment on any transaction, each of the multiple account owners is jointly and severally liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who created the overdraft, deposited or cashed the item, or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any or all funds in the joint account and any other joint account owned by the parties, regardless of who contributed the funds to the joint account. This liability is due immediately.

Informal Trust Beneficiaries

An informal trust beneficiary designation is an instruction to the Credit Union that a designated account is an account payable to the owner or owners during their lifetime, and upon the death of the last joint account owner, payable to any named and surviving beneficiary designated on your Membership Application. Accounts payable to more than one beneficiary are owned jointly by such beneficiaries as Tenants in Common. Any beneficiary designation shall not apply to IRA accounts which shall be governed by a separate beneficiary designation. The Credit Union shall at no time have any obligation 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.

Accounts for Minors

For any account established by or for a minor, the Credit Union reserves the right to require the minor account owner to have a parent/guardian joint account owner who is at least eighteen (18) years of age who shall be jointly and severally liable to the Credit Union for any returned item, overdraft, or unpaid charges or amounts on such account. For a joint account, all funds in the account shall be owned as a joint account with rights of survivorship unless otherwise indicated on the Membership Application. The Credit Union may make payments of funds directly to the minor without regard to his or her minority upon consent of the parent/guardian joint owner. The Credit Union has no duty to inquire of the use or purpose of any transaction by the minor or joint account owner. The minor account owner's tax identification number must be shown on the Membership Application. The Credit Union shall not change the account status when the minor reaches age eighteen (18), unless authorized in writing.

Uniform Transfers to Minors Accounts

An account established as a Uniform Transfers to Minors Account (UTMA) is an individual custodial account established by a member as a custodian on behalf of a minor (a person under twenty-one (21) years of age in VT, eighteen (18) years of age in MI or as otherwise indicated by applicable law). The custodian shall open the minor's account in the name of the minor, include the minor's social security number, and must sign his or her own name on the Membership Application. The minor must be in the Credit Union field of membership. The custodian is the owner of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits to, withdrawals from, or close the account. The Credit Union will not be responsible for or inquire about the custodian's transactions on behalf of the minor. We are not responsible to monitor age or eligibility for an UTMA account, even though our records may include the minor's date of birth. It is the custodian's responsibility to properly distribute the funds in the account upon the minor's death or attainment of the age of majority. If a custodian resigns and appoints a successor custodian, the Credit Union may require the parties to sign an Account Change Card to reflect the change of authority. In the event of the custodian's death, the Credit Union may place an administrative hold on the account until it receives instructions from any person authorized by law to withdraw funds or a court order authorizing such withdrawal.

Accounts for Trusts

An account of a trust is an individual account held by one or more trustees of a trust for the benefit of one or more beneficiaries pursuant to a revocable trust agreement. Upon request of the Credit Union, the trustee(s) shall sign a Membership Application, and provide any other evidence of the trustee's authority the Credit Union requires. The Trustee warrants that a valid trust has been created, is currently existing, and that the trustor or beneficiaries are eligible for membership in the Credit Union. The Credit Union does not act as a fiduciary and is under no obligation to inquire as to the powers or duties of the trustee(s). The Trustee agrees to notify the Credit Union in writing if any change of trustee occurs. The Credit Union may withhold payment of funds to any party until proper evidence of fiduciary authority is provided.

Except for irrevocable trusts, the Credit Union may rely upon the directions of any one trustee until a written notice of revocation of the trust is received. Funds may be released to any one trustee acting alone or with a co-trustee. The trustee(s) agrees to indemnify and hold the Credit Union harmless of any liability, claim, damage or loss arising as a result of unauthorized acts of any trustee or former trustee or acts of any trustee upon which the Credit Union relies prior to notice of revocation of the trust. This Agreement shall be binding on the trust, any trustee, successor trustee and beneficiaries.

Estate Accounts

Estate accounts may be established for a deceased individual who was a Credit Union member or the estate of an individual in which all beneficiaries are members or within the field of membership of the Credit Union. Estate accounts are subject to the terms of this Agreement and the following additional terms. No person other than an authorized representative providing certified copies of court appointment as an executor or personal representative may open an account or make any transactions in the accounts. The estate and all beneficiaries of the estate remain solely responsible for the authorized use of the account funds. The Credit Union shall have no obligation or responsibility to inquire as to the powers, duties or authorized acts of any authorized representative of the estate.

DEPOSIT REQUIREMENTS - Funds may be deposited to any account by any person in any manner approved by the Credit Union, to include over the counter, mail, electronically, remote deposit or ATM, in accordance with the requirements set forth in the Truth in Savings Disclosure. Deposits accepted through mobile banking will be governed by the Mobile Remote Deposit Services Agreement. All accounts are non-assignable and nonnegotiable to third parties. Certificate Accounts are governed by the terms of this Agreement and the terms and disclosures on your Term Share Certificate and Account Disclosure for each account, which is incorporated herein by this reference. You agree not to deposit any substitute check or similar item that you have created, or for which no financial institution has provided any substitute check warranties and indemnity. If you do so, you agree to indemnify the Credit Union for all losses the Credit Union incurs in connection with the substitute check or item. You agree not to deposit any substitute check without our consent.

Endorsements

You are responsible for properly endorsing all checks you deposit. You will be liable for losses resulting from improper endorsements. The Credit Union may require a third party endorser to guarantee an endorsement or to sign in the presence of the Credit Union.

Collection of Items

The Credit Union shall not be responsible for deposits made by mail or at an unstaffed facility until the Credit Union actually receives them. In handling items for deposit or collection, the Credit Union only acts as your agent and assumes no responsibility beyond the exercise of ordinary care. The Credit Union will not be liable for default or negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. The Credit Union may attempt to collect previously returned items without giving the member notice, and it may permit the payor bank to hold an item beyond the midnight deadline. The Credit Union reserves the right to send any item for collection.

Final Payment

All items or Automated Clearing House ("ACH") transfers credited to your account are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge your account for the amount of those items or ACH transfers and impose a return charge on your account. After we have received final payment, we refer to these deposits as collected items. If the Credit Union incurs any fee to collect any item, the Credit Union may charge such fee to your account. The Credit Union reserves the right to refuse or to return all or 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. Unless prohibited by law, the Credit Union can charge the amount of any item which was initially paid by the payor bank and which is later returned due to an allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error or other problem which in the Credit Union's judgment justifies reversal of credit.

Direct Deposits

The Credit Union may offer direct deposit options allowing you to preauthorize deposits (i.e., payroll checks, Social Security or retirement checks, or other government checks) or preauthorize transfers from other accounts at the Credit Union. The Credit Union reserves the right to require you to authorize any direct deposits to your accounts by a separate authorization form. If applicable, you must notify the Credit Union at least thirty (30) days prior to any direct deposit or preauthorized transfer if you wish to cancel or change the direct deposit or direct transfer option. Upon a filing of a bankruptcy, if you fail to cancel any direct deposit authorization, you instruct your employer and the Credit Union to make and apply direct deposits in accordance with your authorization on file with the Credit Union. If the Credit Union is required to reimburse the federal Government for any benefit payment directly deposited into your account for any reason, you agree the Credit Union may deduct the amount returned from any of your accounts, unless prohibited by law.

Crediting of Deposits

Deposits made on Saturdays, Sundays, and Credit Union holidays will be credited to your account on the next business day. Ask for our current deposit cutoff time for deposits made in person and lobby drop boxes. Deposits received at unstaffed facilities, such as night depositories, will be credited on the day funds are removed and processed by the Credit Union. If you deliver a deposit to us and you will not be present when the deposit is counted, we ask you to provide us with an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit under dual control, and credit the deposit to your account. If there are any discrepancies between the amounts shown on the deposit slip and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip.

Items drawn from an institution located outside the United States, including some items drawn in Canada, are handled on a collection basis only. Amounts will be credited to your account when we receive final payment. You waive any notice of nonpayment, dishonor, or protest regarding any items purchased or received by the Credit Union for credit to your account or for collection.

PAYMENT ORDER OF ITEMS - Law permits us to pay items drawn on your account in any order. An item is defined as a check, withdrawal slip, transfer, electronic debit, imaged copy, ATM debit, ACH debit, wire transfer, bill pay or any other debit to the account. To assist you in handling your account with us, we are providing you with the following information regarding how we process the items that you write or that are received electronically. When processing items drawn on your account, we attempt to pay them in the order that they are received. Debit card transactions, including but not limited to signature based, Point-of-Sale (POS) and Automated Teller Machine (ATM) transactions, are generally processed online as items are presented throughout the day. The order in which items are paid is important if your available balance is insufficient to pay all of the items that are presented. There is no practice that is favorable in every instance. If the smallest items are paid first, you may have fewer nonsufficient fund (NSF) or overdraft fees, but the largest, and perhaps more important items (such as rent or mortgage payments) might not be paid. By paying items in the order that we receive them, we think our practice attains a reasonable balance between minimizing additional cost to you and paying what may be more important items. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or paying items without sufficient available funds and incurring the resulting fees. We may incur situations that require us to change processing order and reserve the option of changing the payment order at any time. The amounts of the overdraft and return item fees are disclosed in a separate Pricing Schedule.

ACCOUNT ACCESS

Authorized Signature

In order to access any account, the Credit Union must have an authorized signature of yours or an electronic consent on a Membership Application or any other form of documentation acceptable to the Credit Union in its sole discretion. The Credit Union is authorized to recognize your signature, but will not be liable for refusing to honor any item or instruction of yours if it believes in good faith that the signature on such item or instruction is not genuine. If you have authorized the use of a facsimile signature and we have accepted the request, the Credit Union may honor any check that appears to bear your facsimile signature even if it was made by an unauthorized person. You warrant that such facsimile signature on any item or authorization is genuine and authorized. You remain solely responsible for the proper use of any facsimile signature device. The Credit Union shall not be liable for paying any item or following an authorization bearing an unauthorized facsimile signature, unless you have provided a proper stop payment order in accordance with this Agreement. If you give your account number to a third person, you authorize us to honor transactions initiated by the third person even if you did not specifically authorize a particular transaction.

Access Options

You may make withdrawals or transfers from your account in any manner which is permitted by the Credit Union (i.e., check, automated teller machines (ATMs), debit card, in person, by mail, automatic transfer, online and mobile banking, audio response, or telephone). If the Credit Union accepts any check that is not drawn on a form provided by the Credit Union, you will be responsible for any loss incurred by the Credit Union for handling the check. The Credit Union may return as unpaid any check that is not drawn in the form provided by the Credit Union. We may refuse to pay checks presented over the counter if we have concern over the authority or identity of the maker or presenter, if we are suspicious that the item is not valid, or if our computer system is unavailable. We are not liable for the wrongful dishonor of items we refuse to pay.

ACH & Wire Transfers

If offered, you may initiate or receive credits or debits to your account via wire transfer or ACH ("Automated Clearing House") transfer. You agree that if you receive funds by a wire or ACH transfer, the Credit Union is not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. The

Credit Union may provisionally credit your account for an ACH transfer before it receives final settlement for the transfer. You agree that if the Credit Union does not receive final settlement for a transfer, it may reverse the provisional credit to your account, or you will refund the amount to the Credit Union. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number you give as the proper identification number, even if it identifies a different party or institution. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the rules of the National Automated Clearing House Association.

Credit Union Examination

The Credit Union may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree the Credit Union does not fail to exercise ordinary care in paying an item solely because its procedures do not provide for sight examination of items. The Credit Union can properly pay an item with multiple payees, unless you give the Credit Union notice in writing that multiple endorsements on an item are required.

Electronic Check Transactions

Electronic Checks. If you authorize a merchant to electronically debit your checking account using the routing, account and serial number of your check to initiate the transfer, whether the check is blank, partially or fully completed and signed, such authorization is an electronic check conversion. An electronic check conversion is an electronic funds transfer ("EFT") subject to the terms of the Electronic Funds Transfer Agreement. You authorize us to honor any electronic check conversion from your checking account just the same as a regular written check.

Electronic Re-presented Checks. If you write a check on a personal account that we return unpaid because of insufficient or uncollected funds, the payee or any subsequent holder of the check may re-present the check to us, through an electronic instruction ("Electronic Re-presented Check") to charge your account for the amount of the check. If we receive an electronic re-presented check, we will pay or return the electronic re-presented check as if the original paper check was presented to us. Any collection fee you authorize the merchant to debit from your account is an electronic funds transfer subject to the terms of the Electronic Funds Transfer Agreement. If you want to reverse an electronic re-presented check, you must give us a written Affidavit of Unauthorized Debit within 60 days after we send or make available to you the periodic statement that reflects payment of that electronic re-presented check. In your affidavit, you must declare and swear under oath that the electronic re-presented check was unauthorized. If we receive a proper notice or Affidavit from you within the 60-day period, we will re-credit your account with the amount of the charge. If you wish to stop payment of any electronic re-presented check, you must follow the procedures contained in this Agreement for stopping payment of checks, not the procedures for stopping payment on electronic loan or bill payments. If you ask us to request the depositor's bank to send us the original paper check or a copy of the paper check, and we provide it to you, you agree that you will not seek to have your account re-credited due to a prior stop payment order of if the item is otherwise ineligible for collection.

Remotely Created Checks

Like any standard check or draft, a remotely created check (sometimes called a preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

Account Rates and Fees

The Credit Union's payment of dividends on any account is subject to the account rates and fees, earnings, payment and balance requirements as set forth on the Pricing Schedule and each applicable Truth in Savings or Term Share Certificate and Account Disclosure, which are incorporated herein by this reference. You agree the Credit Union may impose fees and charges for the share account services provided by the Credit Union. A current Pricing Schedule has been provided to you separately. You agree the Credit Union may change the Pricing Schedule from time to time and you will be notified of such changes as required by law.

Transaction Limitations

Withdrawal Restrictions

The Credit Union will permit a withdrawal only if you have sufficient available funds in your account to cover the full amount of the withdrawal or have an established overdraft coverage plan. Checks or other transfer or payment orders which are drawn against insufficient available funds may be subject to a service charge, set forth in the Pricing Schedule. If there are insufficient available funds to cover some but not all of your withdrawal orders, the Credit Union may allow those withdrawals for which there are sufficient available funds in any order at the Credit Union's discretion. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item.

The Credit Union may also refuse to allow a withdrawal in other cases; for example: any dispute between the owners about the account (unless a court has ordered the Credit Union to allow the withdrawal); a legal garnishment or attachment is served; the account secures an obligation to the Credit Union; any required documentation has not been presented; or you fail to repay a Credit Union loan on time. You will be advised of the reasons for refusal if such action is taken. The Credit Union reserves the right to require members to give notice in writing of any intended withdrawals from any account (except checking accounts) of up to 60 days, as required by law, before such withdrawal.

UNDERSTANDING YOUR ACCOUNT BALANCES - Your account has two types of balances: the "actual" balance and the "available" balance. We use your available balance when determining whether a transaction will cause your account to overdraw. Your available balance represents your actual balance less any holds on your account, such as debit card transactions that you have made that are pending final settlement or holds for checks you have deposited. You can review both balances when you review your account online, at an ATM, by phone or at a branch. In this Agreement, the phrases "available funds," "sufficient available funds," and "insufficient available funds" and similar language refer to your available balance.

NON-SUFFICIENT FUNDS (NSF) AND OVERDRAFTS (OD) - If at any time, the available funds in your account are not sufficient to cover items (check, ACH, debit card, website transaction, audio response transaction, our fees or charges, or other electronic transactions or withdrawals of any type) presented for payment, those checks and items will be handled in accordance with our overdraft procedures. Your account will then be subject to a charge for the item whether paid or returned as set forth in our Pricing Schedule. If items are presented multiple times due to insufficient available funds, fees may be assessed each time the item is presented for payment. Except as otherwise agreed in writing, we, by covering one or any overdraft, do not agree to cover overdrafts in the future and may discontinue covering overdrafts at any time. If we pay a check or item that would otherwise overdraw your account, you agree to pay the overdraft amount immediately (within 24 hours of notification or less). We reserve the right to pursue collection of previously dishonored items at any time and charge for services rendered to collect by us or third parties.

If we have approved an overdraft protection plan for your account, we will honor items drawn on an insufficient available balance by transferring available funds from another share account or a loan account, as you have directed. The fee for these overdraft protection transfers, if any, is set forth in our Pricing Schedule. While there may be a charge when the Credit Union automatically moves money from a share account or loan account, there is no charge if you move money yourself to cover an overdraft either in person, via phone, mobile device or through the online banking service. Certain accounts, such as a Power Account, have excess transfer fees that are described in our Pricing Schedule. We will not honor items presented by you that will cause an overdraft(s) at a teller workstation or Automated Teller Machine (ATM).

RIGHT TO PAY OR RETURN - If an item (check, ACH, debit card, website transaction, audio response transaction, our fees or charges, or other electronic transactions or withdrawals of any type) is presented without sufficient available funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft), or return the item (NSF). While we reserve the right to pay or not pay any item presented without sufficient available funds, you may request that we not pay such items. In that case, we will return any item presented without sufficient available funds (NSF). If you wish to not pay such items, you must contact us by calling us at 800-400-8790 or by visiting one of our branch locations, or writing to NEFCU, PO Box 527, Williston, VT 05495 and informing us that you do not want us to pay any items presented without sufficient available funds. If you do not notify us, we retain the right, in our discretion, to pay or not pay any item presented without sufficient available funds. The amounts of the overdraft and NSF fees are disclosed in our Pricing Schedule. We encourage you to make careful records and practice good account management. This will help you to avoid writing checks or conducting other transactions without sufficient available funds and incurring Overdraft (OD) and non-sufficient funds (NSF) fees.

COURTESY PAY SERVICE

The Credit Union offers a discretionary overdraft payment service, known as Courtesy Pay, under the following terms and conditions.

1. Discretionary Service. The Credit Union offers the Courtesy Pay service to eligible consumer checking account owners who maintain their account in good standing. However, if you would like the Credit Union to provide Courtesy Pay service for one-time debit card purchase transactions you must specifically notify us to do so ("opt-in"). For all other overdraft transactions, the Courtesy Pay service will be provided automatically once the checking account is opened to eligible members. Accounts of persons under the age of 18 are not eligible for Courtesy Pay services. Accounts of persons under age 21 are not eligible to opt-in debit cards. Under the Courtesy Pay service, we are not obligated to pay any check or item presented for payment if your account does not contain sufficient available funds. The Credit Union may, as a discretionary service and not as a right of yours or our obligation to you, pay overdrafts up to a limit under the terms of this service and subject to your Membership Agreement. This overdraft service is

not a line of credit, it is not guaranteed, and is independent of any other payment arrangement we may offer. Generally, we will not pay an overdraft for you in excess of any limit we have established for your account type. Limits are based on your financial history with us and others and are subject to change at any time. Also, we may refuse to pay an overdraft for you at any time, even if we have previously paid overdrafts for you. We have no obligation to notify you before we pay or return any item.

2. Overdraft Transactions Covered. If on any day you do not have available funds in your account, the following transactions, which may result in an insufficient or negative balance ("overdraft"), may be covered under our service: Debit card purchases (if you have provided the required opt-in); checks; online bill payments; ACH debits and other payments or withdrawals authorized by you, and any other items that may be posted to your account. We reserve the right to pay any checks or items in accordance with our normal operating procedures for such checks, items or transactions.

3. Overdraft Limit. Under our service, we may pay overdrafts up to a specific dollar overdraft ("overdraft limit") for accounts eligible for this service. The Credit Union's fees and charges and each paid check or item will not be included in this limit. This overdraft limit will not be included or reflected in your actual balance or available balance of your account provided by a teller, at ATM or POS facilities, through online services, by phone, or on your periodic statements.

4. Courtesy Pay/Paid NSF Fees. There is a fee for each overdraft check, transaction, or item. If we do not pay the overdraft, there is a Return Item fee per check, transaction, or item. The Credit Union may limit the number of overdrafts paid or Courtesy Pay fees incurred on any one day. These limits and fees may be amended from time to time as set forth in our Pricing Schedule.

5. Member Repayment Responsibility. You agree your overdraft balance, including applicable overdraft fees, is due and payable upon demand. If there is more than one owner on an account, all owners are jointly and severally liable for repayment of the overdraft balance. If you fail to repay your overdraft balance within 15 days of notice from us, we may immediately suspend the overdraft service. Accounts still overdrawn after 30 days may be closed for failure to repay overdraft balances and we will report account closures to consumer reporting agencies.

6. Member Opt Out Right. The Credit Union offers the Courtesy Pay service as a service and convenience to members for incidental overdrafts. We do not encourage you to repeatedly overdraw your account. We encourage you to manage your finances responsibly. You may opt-out of the Courtesy Pay service at any time by notifying the Credit Union verbally or in writing. The Credit Union may require that any verbal opt-out be confirmed in writing. You understand that by opting out of this service, the Credit Union may refuse to pay any check or one-time debit transaction that is presented against an insufficient available balance on your account and you will be responsible for any NSF/Returned Item fees. You are still responsible to pay any overdraft, even if you have opted-out of the service.

7. Credit Union Contact. For any questions or to exercise your opt-out right from the Courtesy Pay service, you may complete a Courtesy Pay Opt-In/Opt-Out Form located at www.nefcu.com or call the Credit Union at 800-400-8790. You may also contact the Credit Union to inquire about or set up an overdraft protection plan.

Post Dated and Stale Dated Items

You authorize us to accept and pay any check, even if the check is presented for payment before its date, unless you notify the Credit Union of the postdating. Your notice will be effective only if the Credit Union receives the notice in time for the Credit Union to notify its employees and reasonably act upon the notice and you accurately describe the check, including the number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. If you give the Credit Union an incorrect, incomplete, or untimely notice, the Credit Union will not be responsible for paying the item before the date stated and the Credit Union may charge your account as of the date the Credit Union pays the item. You may make an oral notice which will lapse within fourteen (14) days unless continued in writing, within that time. A written notice will be effective indefinitely unless it is subsequently canceled in writing. You also agree not to deposit checks, drafts, or other items before they are properly payable. The Credit Union is under no obligation to you to pay a check drawn on your account which is presented more than six months after its date.

Waiver of Notice

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

Stop Payment Orders

Liability

The Credit Union may charge a fee for each stop payment order requested, as set forth on the Pricing Schedule. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including the Credit Union, who is a holder of the item despite the stop payment order. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney fees, damages or claims related to the Credit Union's action in refusing payment of an item, including any claims of any multiple party account owner, payee, or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

Stop Payment Request

You may ask the Credit Union to stop payment on any check drawn upon or ACH debit scheduled from your checking account. You may request a stop payment by telephone, by mail or in person. For checks, the stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order. Our stop payment cut off time is 8:00 a.m. on business days. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash). For ACH debits, the stop payment order must be received at least three (3) banking days before the scheduled date of the transfer. You must state the number of the account, date and the exact amount of the check or ACH debit and the number of the check or originator of the ACH debit. For ACH debits, if you give the Credit Union incorrect or incomplete information, the Credit Union will not be responsible for failing to stop payment on the item. If the stop payment is not received in time for the Credit Union to act upon the order, the Credit Union will not be liable to you or to any other party for payment of the item. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer all of your rights against the payee or other holders of the check to the Credit Union, and to assist the Credit Union in legal action taken against the person.

Duration of Order for Checking Accounts

You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless continued in writing within that time. A written stop payment order will be valid for 6 months, unless it is subsequently renewed in writing. The Credit Union will not send you a notice when the stop payment order expires.

Official Check Stop Payment Request

There are significant limitations on your ability to stop payment on any certified check or draft, official check, cashier's check or teller's check, or any other check, draft or payment guaranteed by the Credit Union. In most cases you will not be allowed to place a stop payment. You may request by mail, fax, telephone, or in person that the Credit Union issue a replacement check for a lost, stolen or destroyed Credit Union check. You should be aware that a replacement check might not be issued until 90 days from the original check issue date.

Lost Items

The Credit Union, in receiving items from you for withdrawal or deposit, acts only as your agent and reserves the right to reverse the credit for any deposited items or to charge your account for the items should they become lost in the collection process.

Credit Union's Liability for Errors

If the Credit Union does not properly complete a transaction according to this Agreement, the Credit Union will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. The Credit Union will not be liable if: (a) through no fault of the Credit Union, your account does not contain sufficient available funds to make the transaction; (b) circumstances beyond the Credit Union's control prevents the transaction; (c) your loss is caused by your negligence or the negligence of another financial institution; or (d) the money in your account is subject to legal process or other claim. The Credit Union will not be liable for consequential damages except liability for wrongful dishonor. The Credit Union's actions will constitute the exercise of ordinary care if such actions or non-actions are consistent with applicable state law, Federal regulations and operating letters, clearing house rules, and general banking practices followed in the area serviced by the Credit Union. You grant the Credit Union the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Membership Agreement. Any conflict between oral representations by you or Credit Union employees and any written form will be resolved by reference to this Agreement and applicable written form.

Credit Union Lien and Security Interest

To the extent you owe the Credit Union money as a borrower, guarantor, endorser or otherwise, and unless prohibited by law, you grant the Credit Union a consensual security interest in all of your share accounts, which are identified by your member number, and agree the Credit Union may use the funds from your accounts to pay any debt or amount owed the Credit Union, except for your credit card(s) and obligations secured by your dwelling. If the Credit Union chooses not to enforce its lien, the Credit Union does not waive its right to enforce the lien at a later time. All accounts are non-assignable and nontransferable to third parties.

Right of Offset

Unless prohibited by law, the right of offset applies to any debt owed to the Credit Union now or in the future. We will not be liable for the dishonor of any item when the dishonor occurs because we offset a debt against an account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of offset. The right of offset applies if your debt is individual and you are a joint owner on your account. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

Legal Process

If any legal action, such as a levy, garnishment, or attachment, is brought against your account, the Credit Union may refuse to pay out any money from your account until the dispute is resolved. If the Credit Union incurs any expenses or attorney fees in responding to legal process, the Credit Union may charge a legal process fee as set forth on the Pricing Schedule. If the Credit Union incurs any expenses, such expenses may be charged against your account without prior notice to you, unless prohibited by law. Any legal process against your account is subject to the Credit Union's lien and security interest.

Account Information

Upon your request, the Credit Union will inform you of the name and address of each credit reporting agency from which the Credit Union obtains a credit report in connection with your account. The Credit Union agrees not to disclose information to third parties about your account regarding any transaction or balances except when: (1) it is necessary to complete the transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with the Fair Credit Reporting Act or other applicable laws and regulations; (3) such disclosure is in compliance with the law, government agencies or court orders; or (4) you give us your permission.

NOTICES

Name or Address Changes

It is your responsibility to notify the Credit Union upon a change of address or change of name. If you elect eDelivery services, you must notify us of a change in your email address, as prescribed in the eDelivery Services Consent Agreement. The Credit Union is only required to attempt to communicate with you only at the most recent email or mailing address you have provided to the Credit Union. The Credit Union will accept requests for address changes from members who are properly identified in person, by telephone or through the online banking service. A written notice will be required for members who have not been effectively identified. A fee, as set forth in the Pricing Schedule, may be assessed for accounts with undeliverable mail.

Notice of Amendments

Except as otherwise prohibited by applicable law, the terms of this Agreement are subject to change at any time. The Credit Union will notify you of any changes in account terms, rates, or fees as required by law. Changes in account ownership, such as adding or removing a joint account owner, must be evidenced in writing. The Credit Union reserves the right to waive any term in this Agreement. Any such waiver shall not affect the Credit Union's right to enforce any right in the future.

Negative Information Notice

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

Effect of Notice

Any written notice you give to the Credit Union is effective when it is actually received by the Credit Union. Notice must be received in time for the Credit Union to have a reasonable opportunity to act on it. Any written notice the Credit Union gives to you is effective when it is deposited in the US Mail, postage prepaid and addressed to you at your statement mailing address. If you elect eDelivery Services, a notice is effective on the date it is emailed to you. Notice to any one account owner is considered notice to all owners of the account.

Taxpayer Identification Numbers (TIN) and Backup Withholding

If your account is or becomes subject to backup withholding, the Credit Union is required by law to withhold and pay to the Internal Revenue Service (IRS) a required percentage of payments of interest, dividends and certain other payments under certain conditions. Your failure to furnish a correct taxpayer identification number (TIN) or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, the Credit Union may suspend the opening of your account.

Statements

Contents

If the Credit Union provides a statement for your account, you will receive a periodic statement of all transactions and activity on your account during the statement period. If a periodic statement is provided you agree that only one statement is necessary for a multiple party account. You must tell us if you do not receive your periodic statement. For checking accounts, you understand that when paid, your original check (or any substitute check) becomes property of the Credit Union and may not be returned to you. If you request us to provide you with an original check or sufficient copy, you agree that we may provide an electronic image of the original check or sufficient copy if you have agreed to receive account information or statements electronically.

Examination

You are responsible for examining each statement and reporting any irregularities to the Credit Union. The Credit Union will not be responsible for any forged, altered, unauthorized, or unsigned item drawn on or deposited to your account if you fail to notify the Credit Union within sixty 60 days of the mailing date of the earliest statement or delivery of e-statements and availability of drafts containing any forgery, alteration, or unauthorized signature on the item.

Notice to Credit Union

You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements and check copies or the time limit for notifying the Credit Union of any errors. The statement will be considered correct for all purposes and the Credit Union will not be liable for any payment made or charged to your account unless you notify the Credit Union in writing within the above time limit after the statement and check copies are made available to you.

Electronic Statements (E-Statements)

If your statement is provided electronically, statements will be electronically mailed to you as attachment, or you will be sent an electronic mail notice that will direct you to the website where you may access, review, print and otherwise copy/download your periodic statements using procedures we authorize. Electronic mails from us will be sent to the electronic mail address provided by the account owner. If your statement is provided electronically, you have the same rights and responsibilities as if you received a written statement.

INACTIVE AND DORMANT ACCOUNTS AND UNCLAIMED PROPERTY

Inactive and Dormant Accounts

If you have an account that you have not made a withdrawal from, deposit to, or transfer involving your account for more than twelve (12) months, the Credit Union may classify your account as an inactive or dormant account. An Inactivity Fee, as set forth in the Pricing Schedule, may be assessed.

Unclaimed Property

The law establishes procedures under which unclaimed property must be surrendered to the state (escheat). (We may have our own rules regarding dormant accounts, and if we charge a fee for dormant accounts it will be disclosed to you in the Pricing Schedule.) Generally, the funds in your account are considered unclaimed if you have not had any activity or communication with us regarding your account over a period of years. Ask us if you want further information about the period of time or type of activity that will prevent your account from being unclaimed. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

DEATH OR INCOMPETENCE OF ACCOUNT OWNER - The Credit Union may require the survivor or other claimant to the account to produce certain documents before releasing the funds in the account. The Credit Union may continue to honor all transfers, withdrawals, deposits and other transactions on the account until the Credit Union learns of an account owner's death or adjudication of incompetence. Once the Credit Union learns of a member's death or legal incompetency, the Credit Union may pay checks or honor other payments or transfer orders authorized by the deceased or legally incompetent member for 10 days unless the Credit Union receives instructions from any person claiming an interest in the account to stop payment on the checks or other items. You agree that the Credit Union can require that anyone who claims funds in your account after your death or adjudication of incompetence indemnifies the Credit Union for any losses resulting from honoring that claim.

TERMINATION OF ACCOUNT - The Credit Union may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the funds in the account; (4) any account checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft coverage plan; (6) there has been any misrepresentation or any other abuse of your accounts; or (7) you fail to satisfy any of the terms and conditions of the account or Credit Union Bylaws and policies. If your account is at zero balance for 365 consecutive days, the Credit Union may close your account. You may terminate your account at any time by notifying the Credit Union in writing. The Credit Union is not responsible for payment of any check, withdrawal, or other item once your account is terminated; however, if the Credit Union pays a check after termination, you agree to reimburse the Credit Union for the payment.

TERMINATION OF MEMBERSHIP - You may terminate your membership at the Credit Union after giving written notice of your intent to withdraw from membership. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and services when your account is being misused or you have demonstrated conduct which is abusive in nature, as outlined in our "Member in Good Standing and Limitation of Services Policy" or as otherwise permitted by law.

SPECIAL ACCOUNT INSTRUCTIONS - You may request the Credit Union to facilitate certain trust, will, or court-ordered account arrangements. However, because the Credit Union does 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 the Credit Union to follow instructions that the Credit Union believes might expose it to claims, suits, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, the Credit Union may refuse to follow your instructions or may require you to post a bond or indemnify the Credit Union. Any item presented with a full payment legend must be presented in person to a Credit Union official; otherwise, payment is accepted with full reservation of rights. Account changes required by you, or any account owner, such as adding or closing an account or service, must be evidenced by a signed Membership Application and accepted by the Credit Union. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without a copy of the Power of Attorney on record at the Credit Union. You understand and agree we may temporarily freeze account funds, temporarily postpone a transaction or may require additional information about you or any authorized account signer and to file any required reports to protect your account funds when we reasonably suspect possible elder or dependent adult abuse or if it is not clear that the account signer requesting a transaction understands the transaction. (For example, when the account signer is perceived to be confused, acting under undue influence, or out of fear or appears to be experiencing diminished capacity.) You understand that the Credit Union may choose to retain electronic or imaged copies of any original documents and you agree that an electronic or imaged copy is valid as an original document.

PHONE CALLS - In the regular course of our business, we may monitor and record phone conversations made or received by our employees to maintain a record of the call. You agree that we will have such right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees. For payment authorizations you provide by telephone, we may require you to confirm such instructions in writing.

You consent to the Credit Union contacting you using any number you have provided or called us on, including cellular (mobile) phones. Such consent acknowledges that you may pay fees to carriers for these calls that the Credit Union does not reimburse. By entering this agreement, you accept that we may contact you for a number of reasons, including any account or service or debt owed to the Credit Union, and that some of these calls may be from our representatives or others delivered via voice or text messages or calls from an automated dialing system. You may revoke your consent at any time in person, via e-mail or by calling the NEFCU Contact Center.

MEMBER IN GOOD STANDING AND LIMITATION OF SERVICES POLICY - We reserve the right to restrict or suspend access to any or all products or services, except the basic rights to vote in annual and special meetings and maintain a share account, if you engage in conduct that is violent, belligerent, disruptive or abusive to the Credit Union and its membership. This conduct includes, but is not limited to:

- Violence, intimidation, threats, harassment, or physical or verbal abuse of duly elected or appointed officials or employees of the Credit Union, members, or agents of the Credit Union. This includes actions while on Credit Union premises and through use of telephone, mail, email, or electronic method.
- Causing or threatening damage to Credit Union property.
- Unauthorized use or access of Credit Union property.
- Knowingly disseminating incorrect, misleading, confidential, or proprietary information regarding the Credit Union.
- Any actions that may cause material risk or financial harm to the Credit Union.

The privilege of Credit Union services is available to members who are in "good standing." To remain in good standing, a member must:

- Maintain the minimum share balance.
- Not be significantly delinquent on Credit Union loans.
- Not have had any accounts closed due to abuse or negligent behavior.
- Not cause a financial loss to the Credit Union.
- Avoid any actions that may cause material risk or financial harm to the Credit Union.
- Avoid engaging in any violent, belligerent, disruptive, or abusive behavior towards Credit Union staff or other members at the Credit Union or its surrounding property.

The Credit Union may limit services for violent, belligerent, disruptive, or abusive activities only when there is a logical relationship between the objectionable activities and services to be suspended. All, or most, Credit Union services may be denied including, but not limited to: Share Draft privileges, Loans/Borrowing privileges, ACH and EFT transactions, ATM/Debit Cards and Credit Cards, Official Checks, Wire Transfers, Online and Mobile Banking services, denial of services which involve personal contact with Credit Union employees, and denial of access to Credit Union premises.

In the event of denial of limitation of services, the Credit Union will notify the member of what accounts and/or services have been discontinued.

NONPARTICIPATION POLICY - We reserve the right to terminate any membership and close account(s) for nonparticipation in the affairs of the Credit Union when the member's total relationship balance is less than one hundred dollars (\$100.00). "Nonparticipation" is defined as the member's failure to vote in the elections and failure to conduct any business with us, including failure to purchase shares from, obtain a loan or lend to us, for a period of three (3) years. Accounts belonging to members eighteen (18) years of age or younger will be exempt from this policy. This policy shall not apply to any account held by a member who has at least one other active account or relationship with us.

The termination of membership pursuant to this policy shall be effective thirty (30) days after such member is notified of the termination by mail, sent to the member's last known address on our records, unless such member notifies us of their intention to participate in the Credit Union as defined above, in writing before the expiration of such thirty (30) day period. Upon termination for nonparticipation, we will close the terminated member's account(s) and return any money in the member's account(s) to the member at their last known address on our records. If such monies are returned to us, the monies shall escheat (surrendered) to the State of Vermont in accordance with the State's escheatment laws. If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds. Termination of membership pursuant to this policy does not relieve the terminated member from any existing liability to the Credit Union, such as loan repayment, etc.

RESTRICTIVE LEGENDS - Due to automated check processing, items are paid based on the magnetic encoded (MICR) account number on each item. The Credit Union may pay and is not liable for items with restrictive legends. We are not required to honor any restrictive legend on checks you write unless we have agreed in writing to the restriction. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000.00." We are also not required to honor any restrictive endorsements on checks. An example of a restrictive endorsement is "for deposit only" or "cashing of this check constitutes payment in full."

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

INTERNATIONAL ACH TRANSACTIONS - If your Account receives incoming ACH transactions (either credits or debits) or wire transfers initiated from outside of the United States, both you and we are subject to the Operating Rules and Guidelines of the National Automated Clearing House Association (NACHA) or the rules of any wire transfer system involved and the laws enforced by the Office of Foreign Assets Control (OFAC). Under such rules and laws, we may temporarily suspend processing of a transaction for greater scrutiny or verification against the OFAC list of blocked parties, which may result in delayed settlement, posting and/or availability of funds. If we determine there is a violation, or if we cannot satisfactorily resolve a suspected or potential violation, the suspected funds will be blocked as required by law. If you believe you have adequate grounds to seek the return of any blocked funds, it is your sole responsibility to pursue the matter with the appropriate government authorities.

POWER OF ATTORNEY - You may wish to appoint an agent to conduct transactions on your behalf. The Credit Union will not recognize the authority of someone to whom you have given power of attorney without a copy of the Power of Attorney on record at the Credit Union. We will only accept power of attorney designations that comply with Vermont law. You agree that the Credit Union has no duty or responsibility whatsoever to monitor or insure that the acts of the agent are appropriate, authorized, lawful, or for your benefit. If you appoint an agent, we may continue to honor the transactions of the agent until: (a) we have received written notice or have actual knowledge of the termination of the authority or your death, and (b) we have had a reasonable opportunity to act on that notice or knowledge. You understand and agree not to hold us responsible for any loss or damage you may incur as a result of our dealing with your agent acting under a power of attorney.

SEVERABILITY - In the event that any paragraph of this Agreement or any portion thereof is held by a court to be invalid or unenforceable for any reason, the other paragraphs and portions of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

ILLEGAL TRANSACTIONS - You may not use any financial service or access device for any illegal transaction and we may decline to authorize or process any transaction we reasonably believe poses an undue risk of illegality. You agree to indemnify and hold the Credit Union harmless from any action, liability or damage, directly or indirectly, resulting from such use.

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

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

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment. You must take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Except for consumer electronic funds transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

Failure to adequately protect your account information and/or credentials, such as passwords and PINs, may result in refusal or suspension of services.

ENFORCEMENT - You understand and agree that by using any accounts and services provided, you are indemnifying the Credit Union and holding the Credit Union harmless for any liability, loss, or expense that the Credit Union incurs as a result of any dispute involving your accounts or services. You agree to cooperate with the law enforcement and the Credit Union to mitigate loss. You authorize the Credit Union to deduct any such liability, loss, or expense from your account without prior notice to you. In the event either party brings a legal action to enforce the Agreement or collect any overdrawn funds on accounts accessed under this Agreement, the prevailing party shall be entitled, subject to applicable law, to payment by the other party of its reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions, if applicable. In addition, the Credit Union reserves the right to suspend your membership benefits and privileges in the event the Credit Union suffers a loss due to your actions or failure to act as required.

GOVERNING LAW - This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, local clearinghouse rules, and to the extent they are applicable, to the laws and regulations of the State of Vermont, all as may be 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.

ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference. Online services, including internet and mobile banking, and online bill payment services are described in separate Agreements that you will receive when you register for these services.

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

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

DEBIT CARD AND ATM OVERDRAFT CONSENT - If a one-time debit card transaction is presented for authorization without sufficient available funds in your account to cover the transaction, we will not pay the transaction unless you preauthorize us to do so. If you do preauthorize us, then we may pay the one-time debit card transaction presented without sufficient funds in your account, which will create an overdraft and you will be charged a fee. If you do not preauthorize us, we will decline all one-time debit card transactions that are presented without sufficient funds in your account. You may reinstate or revoke your authorization to have us pay one-time debit card transactions at any time by calling us at 800-400-8790, writing NEFCU, PO Box 527, Williston VT 05495, or visiting one of our branch locations and informing us of your decision. Your decision does not guarantee that we will always pay your debit card transactions when there are insufficient funds in your account to cover the transaction. We retain the right to pay or not pay any items at our discretion when the available balance in your account is insufficient to cover the transaction according to our standard overdraft practices.

AccountLine Telephone Transfers - types of transfers - You may access your account by telephone 24 hours a day at (802) 879-8739 using your touch tone phone, your account numbers, and your code number, to:

- find out what the balances are in your share and share draft accounts, and how much is available on your Line of Credit Loan.
- inquire whether or not a specific draft has cleared your share draft account, including the date and the amount that the draft was paid for, the date and the amount of the last payroll deposit made to your share or share draft account, and the date and the amount of the last dividend paid to your share or share draft accounts.
- transfer money between your share and share draft accounts, from your share or share draft accounts to your Line of Credit Loan, or from your Line of Credit Loan to your share or share draft accounts.

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

- make deposits to share draft and share savings account(s)
- get cash withdrawals from share draft and share savings account(s)
 - you may withdraw no more than \$500.00 per card, per day
- transfer funds between share draft and share savings accounts

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

Types of VISA® CheckMate™ Card Transactions - You may access your share draft account(s) to purchase goods (in person or by phone), pay for services (in person), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept. The amount of the charge is subject both to the 24 hour limit described below and the available balance in your account (after taking into account the "holds" described below).

Limits - You will be able to access up to 5 share and 5 share draft accounts per card. There are maximum limits on the amount of total purchases you may make using your card in any calendar day. The maximum amount of these limits is \$5,000 or the available balance in your account, whichever is less.

Daily limits on Debit Card transactions -

Your account will be subject to the following limits on a daily basis:

ATM withdrawal transactions: up to \$500/day*

Purchases: up to \$5,000/day*

* We reserve the right to lower daily limits at our discretion.

Daily limits on ATM Card transactions -

Your account will be subject to the following limit on a daily basis:

ATM withdrawal transactions: up to \$250/day*

* We reserve the right to lower daily limits at our discretion.

Holds - Because there can be a delay when a merchant authorizes a purchase and when the transaction is charged to your account, we will place a hold against funds in your account. The hold is generally removed when the merchant processes your transaction or in 2 business days (whichever comes first). A merchant has the right to place an extended hold on transactions up to 7 days.

Foreign Currency Conversions. When you use your NEFCU Visa CheckMate™ Debit/ATM Card(s) at a merchant outside the United States or at a merchant that processes in a currency different from US Dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date, plus 1%, in each instance. The currency conversion fee will be passed on to the member. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Prohibition Against Illegal Use. You agree not to use your card(s) for illegal purposes or transactions, including but not limited to, illegal gambling. Display of a payment card logo by, for instance, an online merchant does not necessarily mean that such transactions are legal in the jurisdiction that the cardholder is located in at the time of such use.

Non-Visa Debit Transaction Processing. We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit Network* (a non-Visa network) without using a PIN.

The non-Visa debit network(s) for which such transactions are enabled are: NYCE Network.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

FEES

- Third party ATM providers may add a surcharge.
- We do not charge for direct deposits to any type of account.
- We do not charge for preauthorized payments from any type of account.
- **We charge a fee per network transaction (Foreign ATM Fee).**

Refer to the Pricing Schedule for current fees.

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

DOCUMENTATION

- **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send you the money.
- **Preauthorized credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 800-400-8790 to find out whether or not the deposit has been made.
- **Periodic statements.** You will get a monthly account statement from us for your share draft accounts. You will get a monthly account statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

PREAUTHORIZED PAYMENTS

- **Right to stop payment and procedure for doing so.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:
Call or write us at the telephone number or address listed in this disclosure in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.
Please refer to our separate Pricing Schedule for the amount we will charge you for each stop-payment order you give.
- **Notice of varying amounts.** If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)
- **Liability for failure to stop payment of preauthorized transfer.** If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Visa Account Updater (VAU)

Merchants that participate in the Visa Account Updater (VAU) program will receive updated cardholder information for recurring Visa check card and/or credit card transactions. Information such as your expiration date, card number (if the original card was lost/stolen or transferred), and closed card notifications are updated daily and communicated directly to **participating merchants** with whom you have recurring payments.

This service applies both to recurring Visa check card and Visa credit card payments. As a result, you will no longer have to contact the merchant to update your card information which will help prevent disruption of your recurring payments. You may opt out of this feature at any time by contacting your local branch or the Contact Center.

FINANCIAL INSTITUTION'S LIABILITY

Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

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

CONFIDENTIALITY

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

1. where it is necessary for completing transfers; or
2. in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
3. in order to comply with government agency or court orders; or
4. as explained in the separate Privacy Disclosure.

UNAUTHORIZED TRANSFERS

(a) Consumer liability.

• **Generally.** When you allow someone to access your account(s), (by sharing your card and PIN for example, and not in any way limiting the means of authorization,) you are **liable** for all such transactions, even if that person exceeds the authority that you gave - EXCEPT for transactions occurring after you tell us that you have cancelled that person's authority. Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than \$50 if someone used your card and/or code without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

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

• **Additional Limit on Liability for VISA® CheckMate™ Card.** Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen VISA® CheckMate™ Card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by VISA®. Visa is a registered trademark of Visa International Service Association.

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

ERROR RESOLUTION NOTICE

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

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

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

We will determine whether an error occurred within 10 business days (5 business days for VISA® CheckMate™ Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days for VISA® CheckMate™ Card point-of-sale transactions processed by Visa and 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account with us before this account is opened.

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

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

OTHER TERMS AND CONDITIONS

Use and Care of the Card. If you use the Card at a merchant location (including internet sites), you are authorizing the merchant to act for you (as your agent) in completing the transaction. The Card remains the property of the Credit Union. You will take care of your Card and will not give the Card or any PIN to any other person or write your PIN on the Card. If it is lost or stolen, you will notify us immediately.

Line of Credit Accounts Only. As applicable, if you use the Card or any of your PINS to withdraw money from your share draft account and the withdrawal creates an overdraft in your share draft account, a loan will be made to you in accordance with your Line of Credit Account Agreement to cover the amount of the overdraft, provided that you are not in default under the agreement; the availability of credit has not been suspended; the agreement has not been terminated by you or the Credit Union; and that you do not exceed your credit limit. Using your Card and your PIN to make a withdrawal that exceeds the available balance in your share draft account is a written order by you requesting the loan. If an overdraft in your share draft account in excess of your available credit does occur, you will pay the full amount of the overdraft and applicable charge to us immediately upon request.

Termination. We reserve the right to terminate your privileges of use for any card at any time, and for any reason including but not limited to non-activation, non-use or your non-compliance with the terms set forth herein.

Legal Action. If we initiate any legal action to collect money owed to us under this agreement, including any counterclaim, you agree to pay all our costs for such action, including any reasonable attorney's fees. You also agree to pay all of our post-judgment collection costs and expenses, including reasonable attorney's fees. This provision does not apply to any action in connection with any credit account. In such cases, the account agreement will govern these costs.

Claims and Defenses against Merchants. We are not responsible for goods or services you purchase or lease by using a Card or a POS transaction or POS/PIN transaction, we are not subject to any claims or defenses you may have against a merchant in connection with any POS transaction or POS/PIN transaction or the underlying merchant transaction.

When performing a one-time debit card transaction, if you do not enter a PIN, the transaction will be processed as a "signature based" transaction. Merchants supporting signature based transactions must provide you with this option. Note that different rules apply to signature based debit card transactions as described in the "Non-VISA Debit Transaction Processing" section of this agreement.

CHECKMATE™ CARD ACTIVATION

You cannot use the card for access to your account or for point-of-sale purchases until it is activated. Please follow the activation instructions when you receive your new card. If you do not want to use your card, please destroy it at once by cutting it in half and inform the credit union at the address below advising us of this action. Activation of your Card indicates your acceptance of the terms and conditions of the Electronic Funds Transfer Disclosure.

AMENDMENT AND CANCELLATION

We may amend (change) the Terms and Conditions by giving you written notice at any time, except we will give you thirty (30) days' prior written notice if the change would result in increased fees or charges, increased liability for you, fewer types of available fund transfers, or stricter limitations on the frequency of dollar amounts of transfers. We are not required to give you prior notice where an immediate change is necessary to maintain or restore the security of our EFT system. However, if such a change is made permanent, we will give you appropriate notice. We may also cancel your privilege to use the Card and any PIN, even without telling you in advance. If we do this, you will return all cards to us at once. You may terminate this agreement at any time by notifying us in writing. If you do this, you also must return all Cards to us at once. Ending this agreement will not affect your obligations under this agreement for transactions or transfers completed with your Card or any PIN, even if those transactions or transfers are completed after the ending date.

NEW ENGLAND FEDERAL CREDIT UNION
P.O. BOX 527

WILLISTON, VERMONT 05495

Phone: 1-802-879-8790, or 1-800-400-8790

MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your cash, check, and electronic direct deposits available to you on the same day we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

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

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

Same-Day Availability

Funds from the following deposits to your account will be available on the day we receive the deposit, except to the extent that deposits are made at an ATM:

- Electronic direct deposits.
- U.S. Treasury checks that are payable to you.
- Wire transfers.
- Checks drawn on New England Federal Credit Union.
- Cash.
- State and local government checks that are payable to you.
- Cashier's, certified, and teller's checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.
- Most other checks you deposit, if these items are payable to you.

ATM Deposits

Funds deposited at a New England Federal Credit Union ATM will be available on the first business day after the day of your deposit. Deposits made on Saturday, Sunday, and holidays or after nightly processing will be considered made on the next business day. The first \$225 of your aggregate daily deposits will be made immediately available. Deposits are accepted only at ATMs owned by New England Federal Credit Union.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you on the same day we receive your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 of your deposits, however, will be available on the same day.

If we are not going to make all of the funds from your deposit available on the same day we receive your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is 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 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.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

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

SPECIAL RULES FOR NEW ACCOUNTS

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

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 will not be available until the ninth business day after the day of your deposit.

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

SUBSTITUTE CHECKS AND YOUR RIGHTS

Important Information About Your Share Draft (Checking) Account

What Is a Substitute Check?

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

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

What Are My Rights Regarding Substitute Checks?

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

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

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

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

How Do I Make a Claim for a Refund?

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

New England Federal Credit Union
141 Harvest Lane
PO Box 527
Williston, VT 05495
1-800-400-8790

You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

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

TRUTH-IN-SAVINGS DISCLOSURE

Rate Information - The dividend rate and annual percentage yield may change every month. We may change the dividend rate (as disclosed herein) for your account as determined by the credit union board of directors.

Compounding and crediting - For Share Savings, Share Draft and Power accounts, dividends will be compounded and credited to your account every month.

For IRA Share accounts, dividends will be compounded and credited to your account every calendar quarter.

Dividend period - For Share Savings, Share Draft and Power accounts, the dividend period is monthly. The dividend period begins on the first calendar day of the month and ends on the last day of the month. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is January 31.

For IRA Share accounts, the dividend period is quarterly. The dividend period begins on the first calendar day of the quarter and ends on the last day of the quarter. For example, the beginning date of the first dividend period of the calendar year is January 1, and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date is the last day of the dividend period and for the example above is March 31.

Minimum balance requirements - The minimum balance required to open Share Savings and IRA Share accounts is \$5.00.

The minimum balance to open Share Draft accounts is \$25.00. You must maintain a minimum daily balance of \$500.00 in your account to obtain the disclosed annual percentage yield.

The minimum balance to open Power accounts is \$1,000.00. You must maintain a minimum average daily balance of \$1,000.00 in your account to obtain the disclosed annual percentage yield.

Balance computation method - For Share Savings, Share Draft and IRA Savings accounts, dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.

For Power Accounts, dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the month.

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

Transaction limitations - For Power accounts, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or home computer transfer, telephonic order or instruction, or by check, or similar order to a third party during any calendar month. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union. As disclosed in our Pricing Schedule, a fee will be charged when more than 6 check or electronic withdrawals are conducted during a month.

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

Par value of a share - The par value of a share in this account is \$5.00.

Bylaw requirements - You must complete payment of one share in any account as a condition of admission to membership.

Nature of dividends - Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

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

Please refer to our separate Pricing Schedule for additional information about charges.

YOUR ACCOUNT

These are the accounts you have opened or inquired about. Further details about these accounts are inside this disclosure. If the figures are not filled in, please see the insert that is with this disclosure or your periodic statement.

SHARE SAVINGS ACCOUNT

Last declared dividend rate:

As of the last dividend declaration date, the dividend rate was _____% with an annual percentage yield of _____% on your account.

SHARE DRAFT ACCOUNT

Last declared dividend rate:

As of the last dividend declaration date, the dividend rate was _____% with an annual percentage yield of _____% on your account.

POWER ACCOUNT

Last declared dividend rate:

Tier 1 - As of the last dividend declaration date, if your average daily balance was \$100,000.00 or more, the dividend rate paid on the entire balance in your account was _____% , with an annual percentage yield of _____%.

Tier 2 - As of the last dividend declaration date, if your average daily balance was more than \$49,999.99, but less than \$100,000.00, the dividend rate paid on the entire balance in your account was _____%, with an annual percentage yield of _____%.

Tier 3 - As of the last dividend declaration date, if your average daily balance was more than \$9,999.99, but less than \$50,000.00, the dividend rate paid on the entire balance in your account was _____%, with an annual percentage yield of _____%.

Tier 4 - As of the last dividend declaration date, if your average daily balance was more than \$999.99, but less than \$10,000.00, the dividend rate paid on the entire balance in your account was _____%, with an annual percentage yield of _____%.

IRA SHARE SAVINGS ACCOUNT

Last declared dividend rate:

As of the last dividend declaration date, the dividend rate was _____% with an annual percentage yield of _____% on your account.