

YOUR TRUTH-IN-SAVINGS DISCLOSURE

To open your account, complete the appropriate account card and return it to our office. Please read this brochure completely and retain it with your personal records.

All agreements and disclosures shall be construed in accordance with the provisions of the California Uniform Commercial Code (UCC). Share accounts, share draft accounts and share certificate accounts are subject to the requirements below and such other terms and conditions as established by the Board of Directors and as contained in the account agreements.

INFORMATION REGARDING MEMBER IDENTIFICATION

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

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

GENERAL INFORMATION ABOUT ALL OF OUR ACCOUNTS

PAR VALUE

The par value of a share in the Redlands City Employees Federal Credit Union is \$25.

ACCRUAL OF DIVIDENDS

Dividends begin to accrue on the business day you deposit cash or non-cash items (e.g., checks) to your account if deposited before close of business. If you close your share account before dividends are credited, you will not receive accrued dividends.

DIVIDEND RATES

The dividend rate and annual percentage yield on our share accounts are stated on the Rate Schedule accompanying this Disclosure. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

BALANCE INFORMATION

We compute the balance in our share accounts to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance 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.

BYLAW REQUIREMENTS

The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board. A member who fails to complete payment of one share within 24-months of their admission to membership, or within 24-months from the increase in the par value in shares, or a member who reduces his share balance below the par value of one share and does not increase the balance to at

least the par value of one share within 24-months of the reduction may be terminated from membership at the end of a dividend period.

Share may be transferred only from one member to another, by written instrument in such form as the Credit Union may prescribe. No transfer of voting rights or other membership privilege is permitted by virtue of transfer to or co-ownership of shares by nonmembers. The Credit Union reserves the right, at any time, to require members to give, in writing, not less than 7 days and not more than 60 days notice of intention to withdraw the whole or any part of the amounts so paid in by them.

No member may withdraw shareholdings that are pledged as required for security on loans without the written approval of the credit committee or a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written consent of the credit committee or loan officer.

REQUIREMENT TO MAINTAIN A REGULAR SHARE ACCOUNT

You must open a Regular Share Account to open any subsequent accounts. You must maintain the Regular Share Account to avoid closure of that account and any subsequent accounts.

ABOUT OUR SHARE ACCOUNTS

Redlands City Employees Federal Credit Union's share accounts let you deposit your money in a savings account and withdraw your money generally at any time. Our share accounts are the regular Share Account, Vacation Club Account and Holiday Club Accounts.

RATE INFORMATION

Our Regular Share Account, Vacation Club Account and Holiday Club Accounts, are designated as variable rate accounts on the Rate Schedule. This rate and yield may change at any time as determined by the credit union board of directors.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded quarterly and will be credited quarterly. For the Regular Share Account, Vacation Club Account, and Holiday Club Account, the dividend period is quarterly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is March 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

TRANSACTION LIMITATIONS

No more than six preauthorized, automatic, or telephone transfers may be made from your savings account or money market deposit account to another account at the Credit Union or to a third party in any calendar month, and no more than three of these six transfers may be made by check, draft, debit card, or similar order payable to a third party. If you exceed, or attempt to exceed, these transfer limits, the excess transfer requests may be refused or reversed, a fee may be imposed on the excess transfer request, and the Credit Union may reclassify or close your account.

About Our Regular Share Accounts

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open your Regular Share Account is \$25. You must maintain the minimum balance of \$25 to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

About Our Vacation Club Accounts

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

There is no minimum deposit required for you to open your Vacation Club Account.

TRANSACTION LIMITATIONS

Your Vacation Club Account may be opened at any time. You may make withdrawals at any time from this account.

About Our Holiday Club Accounts

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

There is no minimum deposit required for you to open your Vacation Club Account.

TRANSACTION LIMITATIONS

Your Holiday Club Account may be opened at any time. Funds will be disbursed to you on or about November 1. You may make withdrawals at any time from this account.

About Our Share Certificate Accounts

MINIMUM BALANCE AND TERM REQUIREMENTS

Minimum deposit required for you to open your Share Certificate Account ranges from \$1,000 to \$100,000. Terms range from 6 months to 60 months.

TRANSACTION LIMITATIONS AND PENALTIES

No additional deposits may be made to your Share Certificate Account once it is opened. You may open additional Share Certificate Accounts at any time. Penalties will be assessed for early withdrawal. Must close Share Certificate Account to withdraw any funds.

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them.

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 the close of business 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 the close of business or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions.

For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 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 \$5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the 11th business day after the day of your day of deposit.

UNCLAIMED PROPERTY LAW – CALIFORNIA

The holder(s) of this account shall inform the Credit Union of any change in their address(es). The shares and accumulated dividends earned thereon will not escheat to the State Controller if, for a period of three years the member has owned another account with the credit union and, the member has:

1. Increased or decreased the amount of the funds or deposit, cashed an interest (dividend) check, or presented appropriate record for the crediting of interest or dividends, or
2. Corresponded electronically or in writing with the credit union concerning the funds or deposit, or
3. Otherwise indicated an interest in the funds or deposit as
4. evidenced by a memorandum or other record on file with the credit union.

GENERAL TERMS AND CONDITIONS OF YOUR CREDIT UNION ACCOUNTS

DEFINITIONS

ACCOUNT AGREEMENT means any share, share draft, share certificate, trust, totten trust or UTMA account.

TIS AGREEMENT means Truth In Savings Agreement entitled, "About Your Credit Union Accounts."

MEMBERSHIP & ACCOUNT APPLICATION

The terms, conditions and information contained in the Membership & Account Application, and all amendments thereto, are by this reference hereby incorporated in their entirety into this TIS Agreement and become an integral part of the General Terms and Conditions of the Credit Union Accounts.

ACCOUNT OWNERSHIP

The ownership of trust, totten trust, and UTMA accounts shall be governed by the applicable Account Agreement. Unless otherwise specified in the Account Agreement, the parties who sign an Account Agreement agree with each other and with the Credit Union that all funds in the accounts shall be owned as follows:

Individual Accounts: The account or certificate is owned by the party named on the Account Agreement ("Account Holder"). Upon death of the party, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) on the Account Agreement.

Joint Accounts: The account or certificate is owned by the parties named on the Account Agreement ("Account Holder"). Upon death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) named on the Account Agreement.

SPECIAL RULES FOR JOINT ACCOUNTS

Withdrawals by and Liability of Joint Owners – The Account Holders of an account agree with each other and with the Credit Union that all funds and all accumulations thereon are subject to the withdrawal or receipt by any of the Account Holders, and payment to any of them shall be valid and discharge the Credit Union from any and all liability for such

payment. The Account Holders of an account expressly agree that each Account Holder is jointly and severally liable for any and all overdrafts, losses or charges to an account created by any Account Holder(s).

Deposits – The Credit Union may cash or deposit all checks payable to any signer when endorsed by any other signer.

Disputes – If there is a dispute about ownership or control of an account, the Credit Union may place a hold on the account and not release funds until the Credit Union receives either a court order or an instruction signed by all persons claiming an interest in the account.

LIVING TRUST ACCOUNT

You understand and agree that this Living Trust Account will be governed by the term and conditions of this Agreement. For a revocable living trust at least on trustor of the trust must be a member of the Credit Union, and for an irrevocable living trust either all of the trustors or all of the Beneficiaries of the Trust must be members of the Credit Union. Regarding any transaction on this account, the Credit Union may ask the trustee to provide a certification of trust, and the Credit Union will not read, interpret or retain copies of the trust agreement. The trustee agrees to notify the Credit Union of any changes in the terms of the trust that would affect the trustee’s authority to transact business on the Living Trust Account or status of the membership of the parties to the trust.

PARTNERSHIP AND UNINCORPORATED ASSOCIATION

If your account is in the name of a partnership or unincorporated association, the persons whose signatures appear on the Account Signature card represent, warrant and agree that all items and funds deposited in this Account belong to the partnership or unincorporated association, that each of them has been duly authorized by the partnership or unincorporated association and has the power and authority to act, sign and bind the partnership or unincorporated association, that we may rely on such authority until written notice of revocation is received by us from one of the authorized signers, and that no dissolution of the partnership or unincorporated association has occurred. If the partnership or unincorporated association uses an assumed name for its business, it has a current Assumed Name Certificate file in the Office of the County Clerk in each county in which it conducts business. If the partnership or unincorporated association uses a name for the business other than the name of the partnership or unincorporated association, a current fictitious business name statement is on file in the county’s clerk office in each county in which the partnership or unincorporated association conduct business. Funds received may not be withdrawn until collected.

Partnership and unincorporated association accounts are not subject to the Multiple Party Accounts Law.

NOTICE

Notice to one Account Holder shall constitute notice to all persons authorized to have access to the account.

ABILITY TO PLEDGE FUNDS

Any or all of the joint Account Holders may pledge all or any part of the fund as security for a loan or loans with the Credit Union only.

ENFORCEMENT OF LIENS

All funds in an account remain subject to any and all liens, including but not limited to statutory liens and/or consensual liens, security interests, rights of offset and charges, notwithstanding the source of the contribution.

NOTIFICATION OF CHANGES

The right or authority of the Credit Union under an Account Agreement shall not be changed or terminated by the Account Holder(s), except by written notice to the Credit Union, which written notice shall not affect

transactions previously made. All parties to an Account Agreement shall keep the Credit Union informed of any change in their address(es).

WAIVER OF CERTAIN RIGHTS

The Credit Union reserves the right to waive the enforcement of any of the provisions of this TIS Agreement with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions and is not sufficient to modify the terms and conditions of this TIS Agreement.

CONSUMER REPORTS

The Credit Union makes credit available to its members on a regular basis. The Applicant(s)/Account Holder(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the Applicant(s)/Account Holder(s), including but not limited to applying for membership, the opening of a share or share/draft account or the issuance of an ATM card, check card, or other service provided by the Credit Union, and the Applicant(s)/Account Holder(s) of the account authorize any person, association, or corporation to furnish on request of this Credit Union, information concerning the affairs of the Applicant(s)/Account Holder(s). The Applicant(s)/Account Holder(s) also authorizes the Credit Union to furnish information concerning the account to consumer reporting agencies.

NEGATIVE CREDIT REPORTING

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

REPORTING INACCURATE INFORMATION

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at Valley Hills Federal Credit Union, 701 S Mt Vernon Ave, San Bernardino, CA 92410, so we can investigate.

POST-DATED SHARE DRAFTS AND CHECKS

The Credit Union will treat all share draft or checks as though the share drafts or checks were written on the date presented.

EXAMINATION OF STATEMENTS

The Account Holder(s) to whom the periodic statement of account is sent agree(s) to exercise reasonable care and promptness in examining the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof.

NON-CASH PAYMENTS

Non-cash payments deposited into an account may be credited subject to final payment.

FEES AND CHARGES

All accounts shall be subject to service charges in accordance with fee schedules adopted by the Credit Union as amended from time to time.

**Redlands City Employees
Federal Credit Union
Fee Schedule**

Entrance Fee	\$5.00
Late Loan Payment (after 10 days)	\$15.00
Returned Mail	\$5.00
Dormant (after 12 months)	\$2.00 mn
Stop Pmt	\$30.00
Check Copy	\$ 10.00
Statement Copy	\$10.00

Returned Deposited/Payment item	\$25.00
Overnight Mail	\$25.00
Levies/Garnishments-IRA, State, Marshall, Etc.	\$30.00
Account Research (min 25.00)	\$25.00/hr

CREDIT UNION’S RIGHT TO OFFSET

Account Holder’(s) agrees that the Credit Union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason. Account Holder(s) understand that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)’s share and dividends in the event of the failure of the Account Holder(s) to satisfy any financial obligation due and payable to the Credit Union. Account Holder(s) understand that the Credit Union may enforce this right without further notice.

OTHER TERMS AND CONDITIONS

The use of an account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time.

GOVERNING LAW

This TIS Agreement shall be construed in accordance with the laws of the State of California, including the California Uniform Commercial Code (UCC).

Share Account Agreement

WITHDRAWALS, PRIOR NOTICE REQUIREMENT

The Credit Union reserves the right to require prior written notice of intention to withdraw all or part of shares not to exceed the notice requirement as set forth in the Credit Union’s bylaws.



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ABOUT YOUR

Credit Union

Accounts

Share Account

Holiday Club Account

Vacation Club Account

Share Certificates

Funds Availability

Unclaimed Property Law

Account Agreements

Redlands City Employees

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