



# LOCKHEED FEDERAL CREDIT UNION

## HIGH RATE CHECKING ACCOUNT AGREEMENT AND DISCLOSURE

This High Rate Checking Account Agreement and Disclosure governs your High Rate Checking Account and contains important terms, conditions and disclosures pertaining to the Account. Please read it carefully and retain it for your records. In this High Rate Checking Account Agreement and Disclosure, the words "you" and "your" mean each and all accountholders on the Account. The words "we", "us" and "Credit Union" each mean Lockheed Federal Credit Union. "Account" means the High Rate Checking Account. The terms and conditions of this High Rate Checking Account Agreement and Disclosure are in addition to the terms and conditions as set forth in the Membership and Accounts Agreement and Disclosure, the Account Rate Sheet, the Schedule of Service Charges and Fees, and the Relationship Rewards Brochure herein incorporated by this reference.

**GENERAL:** For regulatory accounting purposes, we may classify checking accounts to consist of two separate sub-accounts; a transaction sub-account and a non-transaction sub-account. All transactions are posted to the transaction sub-account and we may transfer funds between the two sub-accounts as needed. We record the sub-accounts and any transfers between them on our internal accounting records only. Your Checking Account and periodic statement are not affected. We will aggregate sub-account balances for statement purposes, availability of funds, the calculation and payment of dividends, and for purposes of minimum balance requirement calculations and applicable service charges (if any).

The **High Rate Checking Account** is a checking account which pays dividends on your entire account balance each day when you maintain a minimum balance of \$20,000, and which offers unlimited check writing and LFCU ATM service. The Monthly Service Charge is waived if you maintain a balance of at least \$20,000 in the account each day for the calendar month, or when at Gold or Platinum level of Relationship Rewards. Please refer to the Relationship Rewards Brochure for further information. The Monthly Service Charge is reduced with minimum monthly direct deposit of \$100 to your High Rate Checking Account.

**DIVIDEND RATE AND ANNUAL PERCENTAGE YIELD:** Please refer to the **Account Rate Sheet** for the current Dividend Rates and Annual Percentage Yields in effect for High Rate Checking Accounts. The **Account Rate Sheet** is incorporated into this High Rate Checking Account Agreement and Disclosure and is part of our agreement with you governing the Dividend Rates and corresponding Annual Percentage Yields applicable to your High Rate Checking Account.

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** The minimum daily balance requirement in order to earn dividends on the High Rate Checking Account is \$20,000. Dividends are earned on the entire account balance each day.

**DIVIDEND RATES ARE BASED ON YOUR ACCOUNT BALANCE:** The Dividend Rate applicable to your High Rate Checking Account depends on the balance in the Account each day. The Credit Union has established "balance tiers", which consist of four separate ranges of balances. Three tiers earn dividends. The **Balance Tiers** are as follows:

\$ .01 - \$ 19,999.99	– no dividends	\$ 50,000.00 - \$ 99,999.99
\$ 20,000.00 - \$ 49,999.99		\$100,000.00 and Over

Each separate dividend earning "balance tier" may offer a different Dividend Rate and Annual Percentage Yield. The same Dividend Rate may also be applied to two or more balance tiers. Dividends will be earned each day on the entire balance in the Account at the Dividend Rate corresponding to the "balance tier" to which your daily Account balance applies. For example, if your Account balance was \$22,500.00 you would receive the Dividend Rate applicable to the "\$20,000.00 to \$49,999.99" balance tier on the entire \$22,500.00 balance for that day. Similarly, if your Account balance was \$59,000.00 the following day, you would receive the Dividend Rate applicable to the "\$50,000.00 - \$99,999.99" balance tier on the entire \$59,000.00 balance for that day. Balance tiers are also subject to change as determined by the Board of Directors or its designees.

**DIVIDENDS AND VARIABLE RATE INFORMATION:** The High Rate Checking Account is a variable rate Account and the Dividend Rate and Annual Percentage Yield applicable to each "balance tier" may change **monthly** as determined by the Credit Union's Board of Directors, or its designees, without prior notice to you. However, the Credit Union reserves the right to change Dividend Rates at any time. There is no limit on how much the Dividend Rate can change each month. Your account statement will reflect the Dividend Rate and corresponding Annual Percentage Yield, as well as the Annual Percentage Yield Earned and the dividends paid each statement period.

Dividend Periods are monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow the same monthly pattern of dates. The dividend declaration (payment) date follows the ending date of each dividend period, which is the first day of the following month (and for the example, would be February 1). Dividends are paid from current income and available earnings, after required transfers to reserves have been made by the Credit Union at the end of each dividend period.

Dividends are earned daily and are credited and compounded monthly on the first day of each month. The Credit Union uses the daily balance method of computing dividends, which applies a periodic rate to the entire balance in the account each day. Dividends begin to accrue from the date of deposit of all cash and non-cash items and shall continue to accrue until the day the funds are withdrawn. Dividends are paid in whole cents. If you close your account at any time during the month, we will pay you any earned dividends up to the date of account closure (not including the date of closure).

**MINIMUM DEPOSIT AND BALANCE REQUIREMENTS:** The minimum deposit required to open a High Rate Checking Account is \$20,000. There is no minimum balance requirement to maintain the Account.

**MINIMUM BALANCE REQUIREMENT TO EARN DIVIDENDS:** The minimum balance requirement to earn dividends on the High Rate Checking Account is \$20,000.

**MONTHLY SERVICE CHARGE:** The High Rate Checking Account has a monthly service charge of \$9.95. When you maintain a daily balance of \$20,000 or when at Gold or Platinum level of Relationship Rewards, the monthly service charge may be waived. Please refer to the Relationship Rewards Brochure for Gold or Platinum information. The \$9.95 Monthly Service Charge is reduced to \$8.95 with a minimum monthly direct deposit of \$100 to your High Rate Checking Account.

**OTHER FEES AND CHARGES:** In addition to the Monthly Service Charge, other fees and charges may be assessed against your High Rate Checking Account. Fees and charges for special services, such as stop payment fees, wire transfer fees, fees for checks returned unpaid, and fees for copies of checks, may also be imposed in connection with your Account. You agree to pay all fees and charges assessed by the Credit Union in connection with your High Rate Checking Account. You acknowledge receipt of the current **Schedule of Service Charges and Fees**, and that the Schedule and any subsequent amendments thereto, are considered part of this Agreement. Please refer to the **Schedule of Service Charges and Fees** for the most current fee information.

**DEPOSITED FUNDS AVAILABILITY:** Withdrawal of funds deposited to the Account are governed by the Expedited Funds Availability Act and are subject to the Credit Union's "**Holds and Deposited Funds Availability Policy**". For more information, please refer to the Membership and Accounts Agreement and Disclosure.

**AUTHORIZED SIGNATURES:** We are authorized to recognize the signature of any accountholder who has signed the Membership Application under which this High Rate Checking Account is established in the payment of funds or transaction of any business regarding this Account. The use of a Personal Identification Number (PIN) or other authorized device by which funds in the Account may be accessed by you shall have the same force and effect as your signature.

**ACCOUNT STATEMENTS, E-STATEMENTS AND NOTICES:** We will send you a monthly statement reflecting the activity on your Account for each statement period. The statement and all other notices will be mailed to you at your address as is reflected on our account records. If you have elected e-statements, you will receive a notification at your e-mail address to retrieve your monthly statement. Notification to retrieve your e-statements and all other notices will be e-mailed to you at your e-mail address reflected on our records. It is your duty to exercise reasonable care and promptness in the examination of the monthly statement submitted to you by the Credit Union, and to discover any errors, unauthorized transactions or alterations on any items charged to your account, and to notify the Credit Union promptly after discovery. Failure to discover and/or report errors or unauthorized transactions within 30 days (60 days for ACH, ATM, POS and other EFTs) from the time the statement is made available to you will constitute a breach of your duty hereunder and preclude any claims for loss resulting from such failure.

**ACCOUNT TERMINATION:** We may close or terminate your Account at any time by giving you notice of termination. Your account may also be terminated or closed by us if at any time it has a zero balance, there being no funds on deposit in the account, for a period greater than six months. You can terminate your Account at any time without incurring any penalty by writing to us at the Credit Union or by informing us in person at one of our branches, but such notice will not affect any prior transactions on your Account.

**PLEDGE OF SHARES:** Funds in this Account may not be pledged as security for share secured loans, but are subject to the Credit Union's statutory Lien and general pledge of shares included in Credit Union Agreements, the provisions of the Credit Union By-Laws, and the Federal Credit Union Act, regarding the Credit Union's ability to impress a lien upon shares as security and right of off-set for loan obligations. Any indebtedness now or hereafter owed to the Credit Union either individually or jointly, may be charged to any High Rate Checking Account in the name of the member or in the name of the member and another or others.

**OTHER AGREEMENTS AND CONDITIONS:** (1) We may change the terms of this Agreement and Disclosure at any time as long as we give you advance notice as required by law. (2) This Account is not transferable, except on the books of the Credit Union. (3) You agree to notify us of all changes in your address. (4) Withdrawal of any or all funds from this Account by you or your beneficiaries will discharge us from any liability for such payment. (5) Under Federal law, we reserve the right to require up to 60 days advance written notice of any intended withdrawal from this Account. (6) You agree to be bound by the By-Laws, regulations, policies and other practices of the Credit Union now in effect or as amended or later adopted regarding this Account.

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