

## IMPORTANT INFORMATION ABOUT CHANGES TO YOUR HAPO ACCOUNT

HAPO Community Credit Union is revising certain account agreements governing your deposit accounts and electronic services with HAPO as described below. This notification outlines the material changes in the deposit account and electronic services with HAPO and the revised Membership and Account Agreement and Electronic Services Agreement governing these services. Most of the contract terms for accounts and services will remain without substantive change. Your continued use of your HAPO accounts and services constitutes your acceptance of the revised terms of the Membership and Account Agreement and Electronic Services Agreement. These agreements are available upon request at any time. We encourage you to review and retain this notification for your records. If you have any questions or would like this notice in Spanish, please contact the Credit Union or visit a Financial Center.

### Changes Effective October 1, 2021

#### Disclosure Format Changes (*Consumer & Commercial Accounts*)

- Consumer Accounts: HAPO's account and online banking disclosures are now incorporated into two agreements, the Membership and Account Agreement and the Electronic Services Agreement.
- Commercial Accounts: The following disclosures: Funds Availability Policy, Binding Arbitration and Class Action Waiver Agreement, and our Privacy Policy were previously provided separately. Moving forward these disclosures will now be incorporated in the Addendum to the Business Membership and Account Agreement.

#### Binding Arbitration and Class Action Waiver Agreement (*Consumer & Commercial Accounts*)

This agreement previously referenced two arbitration forums. The American Arbitration Association has been removed from the agreement.

### Changes Effective November 1, 2021

#### Foreign Check Processing Fee Changes (*Consumer & Commercial Accounts*)

Checks that are drawn off financial institutions located outside of the US cannot be processed through the Federal Reserve system. Therefore, they require special handling and are sent off for collection to the paying institution before the funds can be credited to your account. The fees for processing foreign checks are changing to a combined flat fee of \$45. Prior to this change, fees were disclosed at the time of presentment and specific to the country of issuance. The return fee is not changing and will remain \$20 in the event the item is returned as uncollectable.

#### Wire Transfer Agreement (*Consumer Accounts Only*)

HAPO's Wire Transfer Agreement and Security Procedures were added to the Electronic Services Agreement under the Wire Services section. This section has been provided below for your review.

#### Wire Transfer Services.

By signing a Wire Transfer Authorization ("Wire Transfer Authorization") or requesting or authorizing a representative of yours to initiate a wire transfer order, you agree to the terms and conditions of the Wire Transfer Service in the manner outlined below. This Wire Transfer Agreement between HAPO Community Credit Union ("Credit Union") and the member and their authorized agents ("member") governs the origination of wire transfers by or on behalf of the member.

**Definitions.** The party whom the member is transferring the funds to is the "Beneficiary." The bank or financial institution at which the Beneficiary maintains the account to which the funds are being transferred or the bank disbursing the funds to the Beneficiary is the "Beneficiary Bank." The entire series of transactions, commencing with the request for a wire transfer, up until and including the payment to the Beneficiary shall be referred to as a "funds transfer" or "wire transfer."

**Service Description.** The Credit Union offers a wire transfer service that enables the members to transfer funds by wire from specific member account(s) to any other account(s) specified by the Member, whether such accounts are at the Credit Union or another financial institution. Members may initiate a funds transfer by contacting the Credit Union in the manner set forth below. The member may select the day the funds transfer should occur, and the Credit Union will, subject to the terms and conditions set forth in this Agreement and any Wire Transfer Authorization, send the funds transfer on the designated date in accordance with the instructions outlined by the member.

**Funds Transfer Business Days & Cutoff Times.** Funds transfers occur on non-holiday weekdays (Monday through Friday) only. The Credit Union's funds-transfer cut-off time is 2:00 PM PST for domestic wires. Wire transfer requests received after the applicable cutoff times may be treated as having been received on the next following business day and processed accordingly. Wire requests may be subject to further review which may cause a delay or cancellation of the request. The receiving institution may also take additional time to process. If you have a situation where you need research done, please keep in mind that the Credit Union may take additional time to process this research. The Credit Union may establish or change from time-to-time cutoff times for the receipt and processing of funds transfers requests, amendments, or cancellations. Wire Transfers, cancellations or amendments received after the applicable cutoff time may be treated as having been received on the next Business Day and processed accordingly.

**Maintaining Available Funds.** It is your responsibility to have the available funds to cover your wire request when you initiate the transaction and maintain those funds in the account until the wire transfer is processed. You understand that the withdrawal for the wire transfer is not done until the request is completed, which could be the next day or several days after the initial request. If the funds are not available, the wire transfer will not be completed, and we will attempt to notify you at the contact information you have provided.

**Account Limitations.** It is the policy of the Credit Union to accept funds transfers from any of your share accounts; however, with respect to your money market accounts, we will allow you to make no more than six (6) withdrawals or transfers to another account of yours, or to third parties, by means of a preauthorized or automatic transfer, or telephonic order or instruction, or similar order per month. You may not initiate any wire transfer to facilitate any transaction related to internet gambling.

**International Transfers.** Our cutoff times for international wire transfers may vary based on the location of the recipient and other factors. Contact us before initiating an international wire transfer to determine the applicable cutoff time. Our processing of international transactions may be delayed if necessary to complete screening required by Federal law. The Credit Union makes no representation as to the availability of funds to a recipient in a foreign country at any particular time or date, or at all. All entries will be credited to or debited from the account you have with us in U.S. dollars. We will arrange for any necessary conversion of currency at rates available to us at the time we make the conversion. You understand that the receiving institution may elect to convert a U.S. Dollar wire transfer to a foreign currency at rates specified by the other institution before crediting the beneficiary. You will bear all risk of currency conversion.

**Fees.** The Credit Union may charge an account for the amount of any funds transfer initiated by any person authorized to the account from which the funds transfer is to be made and any applicable fees for wire transfers set forth on the HAPO Fee Schedule. All fees are subject to change from time to time at the discretion of the Credit Union.

**Member Indemnity.** The member shall be liable to the Credit Union for and shall indemnify and hold the Credit Union harmless from any and all claims, causes of action, damages, expenses (including reasonable attorney's fees and other legal expenses), liabilities and other losses resulting from acts, omissions, by the member or any other person acting on the member's behalf, including without limitation: (1) a breach by the member of any provision of this Agreement; (2) the Credit Union debiting or crediting the account of any person as requested by the member; (3) the failure to act or the delay by any financial institution other than the Credit Union; and (4) the Credit Union accepting any verbal wire transfer request or information by telephone through the Credit Union's Call Center without the signature or proper identification of the member or the member's representative requesting the transfer.

**Credit Union Liability.** The Credit Union shall be responsible only for performing the wire transfer services provided in this Agreement and should be liable only for its negligence or willful misconduct in performing the services. The Credit Union shall not be liable for acts or omissions by the member or any other person; including without limitation any wire transfer system, any Federal Reserve Bank, any Beneficiary Bank, and any Beneficiary, none of which shall be deemed the Credit Union's agent. Without limitation, the Credit Union may be excused from delaying or failing to act if caused by illegal constraint, interruption of transmission or communications facilities, equipment failure, war, emergency conditions, strikes or other circumstances beyond the Credit Union's control. In no event shall the Credit Union be liable for any consequential, special, punitive, or indirect losses or damages incurred relating to this Agreement, including without limitation, subsequent wrongful dishonor resulting from the Credit Union's acts or omissions.

**Notice of Errors.** All transfers will appear on the member's regular account statement. It is the member's obligation to examine the statement for any discrepancy concerning any funds transfer. If the member fails to notify the Credit Union of any such discrepancy within fourteen (14) days after the member received the statement or other sufficient information to detect such

discrepancy, the Credit Union shall not be liable for and the member shall indemnify and hold the Credit Union harmless from any loss of interest with respect to the wire transfer and any other loss which could have been avoided had the member given such notice. Within ninety (90) days after notification has been received that the wire transfer has been executed, the Credit Union must be notified of any errors, delays or other problems related to the funds transfer. If the member fails to notify the Credit Union within ninety (90) days after receiving the statement, the member is precluded from any claim against the Credit Union. In the event that the funds transfer is delayed or erroneously executed, and a loss is suffered as a result of the Credit Union's error, its sole obligation is to pay or refund such amounts as may be required by applicable law. If the Credit Union becomes obligated under Article 4A to pay interest, the rate of interest to be paid shall be equal to the dividend rate on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

#### **a. Wire Transfer Agreement**

**Security Procedures.** The member and the Credit Union shall comply with the security procedure requirements described herein. In addition, the Credit Union may but is not required to take additional actions to verify the identification of the member or its agents, or to detect any error in the transmission or content of any wire transfer request. Provided the Credit Union complies with the security procedures, the member shall be liable for payment of the transferred amount plus transfer fees, even if the transfer request is not actually transmitted or authorized by the member. If the Credit Union does not follow the security procedure but can prove the transfer request was originated by the member, the member will still be liable for the transfer amount plus transfer fees. The member authorizes the Credit Union to record electronically or otherwise any telephone calls relating to any transfer under this Agreement. The security procedures established hereunder are commercially reasonable and the member and Credit Union agrees to comply in all respects with such procedures.

**Phone or Fax Requests.** The Credit Union will verify your ID against our records. If we do not have an ID on file, the faxed copy must be notarized. If a callback is necessary, the call back to you will be performed regardless of whether a notary is required. We may conduct the call back verification to any number that we have on file. If a signature is required, we will verify it against Credit Union records. In the event the Credit Union is unable to verify your signature, the form bearing your signature will need to be notarized.

- \$500 or less – A series of questions must be answered. If the funds are going to a 3rd party, a signed Outgoing Wire form and a copy of your ID will be required.
- \$500.01 to \$4,99.99 – A series of questions must be answered. An Outgoing Wire form must be signed regardless of recipient, and a copy of your ID will be required.
- \$5,000 or greater – A series of questions must be answered. An Outgoing Wire form must be signed, and a call back will be performed regardless of recipient.

**Security Procedure Protection.** The member and the Credit Union will preserve the confidentiality of the security procedure. If the member becomes aware of a breach, or suspects that a breach may occur, it will immediately notify the Credit Union in a manner affording the Credit Union a reasonable opportunity to act on the information.

**Member Bound by Funds Transfer Requests.** The member will be bound by any funds transfer request, whether authorized, issued in its name and accepted by the Credit Union in compliance with the designated security procedure.

**Inconsistent Data and Rejections of Wire Transfer Instructions.** If a wire transfer request indicates an intermediary bank or Beneficiary Bank inconsistently by name and identifying number, the execution of the wire request may be based solely upon the number even if the number identifies a bank different from the named bank. If a wire transfer request describes a Beneficiary inconsistently by name and account number, payment might be made to the Beneficiary Bank solely upon the account number even if the account number identifies a person different from the named Beneficiary. The member's obligations shall not be excused in these circumstances. The Credit Union shall reject any transfer request or incoming wire transfer which does not conform to the limitations, security procedures, or other requirements set forth in this Agreement, such as availability of funds on deposit. The Credit Union may reject, except when prohibited by law, at its sole discretion, any transfer request it receives from the member for any reason. The Credit Union shall notify the member of the Credit Union's rejection of the transfer request by telephone, electronic message, or mail. The Credit Union will comply with regulations issued by the U.S. Treasury's Office of Foreign Asset Control (OFAC).

The Credit Union is prohibited by law to complete any transfer request that is to an entity listed on OFAC's list of specially designated nationals and blocked persons and will "block" the funds until OFAC issues a written release to the Credit Union. The Credit Union shall have no liability to the member as a result of the Credit Union's rejection of any transfer request or internal transfer if it complies with the terms of this Agreement. The Credit Union may, at its sole discretion, but without obligation or duty to do so except to the extent otherwise specifically provided in this Agreement, by a notice of rejection delivered verbally, electronically or in writing, reject any funds transfer request, including, without limitation, any request that the Credit Union believes:

- exceeds the collected and available funds on deposit in your designated account(s);
- is not authenticated to the Credit Union's satisfaction, or which the Credit Union otherwise believes may not be authorized by you;
- contains incorrect, inconsistent, ambiguous, or missing information;
- involves funds which are subject to a lien, security interest, claim hold, dispute, or legal process prohibiting withdrawal;
- exceeds legal, regulatory, payment system or governmental policy limitation;
- may have been issued without proper authorization; or is incomplete.

**Rejection of the Credit Union's Transfer Request.** If the Credit Union receives notice that a wire transfer transmitted by the Credit Union has been rejected, the Credit Union shall notify the member of such rejection, including the reason given for rejection by telephone, electronic message, or mail. The Credit Union would have no further obligation to transmit the rejected wire transfer if it complied with this Agreement with respect to the original funds transfer request. The Credit Union shall incur no liability to you for any losses incurred by the Credit Union's refusal, with or without notice to you, to honor any funds transfer request.

**Cancellation and Change by Member.** The Credit Union is not obligated (and is not liable for its failure) to cancel or amend a funds transfer request after its receipt by the Credit Union. The Credit Union will, however, make reasonable efforts to comply with your request to cancel or amend a funds transfer request. Any request for cancellation or amendment must be made in compliance with the Security Procedure. You will indemnify and hold the Credit Union harmless from any and all liabilities, costs, and expenses the Credit Union may incur in canceling or amending, or in attempting to cancel or amend, a funds transfer request.

**Governing Law.** The origination of Domestic Wire Transfer orders through the Credit Union shall be governed by the laws of the state of Washington, UCC Article 4A, and Federal Reserve Regulation J and this Agreement. To the extent of any inconsistency between the terms of these Agreements, the terms of this Agreement shall govern.