

NOTICE OF CHANGE TO IMPORTANT ACCOUNT INFORMATION FOR OUR MEMBERS

The full Important Information for our Members disclosure is available by visiting the Forms, Fees, and Disclosures page of our website (www.bayerhfcu.com/discover-bayer-hfcu/member-services/forms-fees-and-disclosures) or at any Bayer Heritage Federal Credit Union location; **only sections with revisions are included below**; updated language in each section is in **bold italics**.

These changes become effective September 1, 2024. If you continue to have your account(s) after the effective date you have accepted, and agreed to, the modified terms and conditions.

If you have any questions about these changes, stop by any of our locations or call us at 800-272-6003.

SUMMARY OF CHANGE

TERMS AND CONDITIONS

AGREEMENT section – Text was added to document the governing law for accounts opened online.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION section – Text was added to document your ability to establish unequal beneficiary designations. Clarified that the credit union reserves the right to refuse some forms of beneficiary designation on any or all of our accounts. *NOTE: The language included in TERMS AND CONDITIONS excerpts below is in addition to the existing OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION language.*

AMENDMENTS AND TERMINATION section – The section has undergone an extensive revision. The following are some of the changes that have been made. We have clarified that the types of changes we can make include modifying or deleting existing terms as well as adding new terms. Text was added to document our right to suspend, modify, convert, or terminate a service. We added information on how any of these types of changes can be communicated to you. We added information about the process of closing an account.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT section – Added several references to applying “applicable law” throughout. Also, added a sentence stating that this agreement does not waive any depositor rights to challenge a legal action. Added the words “or transfers” after “we may ... not allow any payments or transfers.” Clarified that in addition to the option of freezing an account, we may take other actions as may be appropriate under the circumstances.

ADDRESS OR NAME CHANGES INFORMATION section – Expanded the section to include more than just address changes.

TRUTH IN SAVINGS DISCLOSURE

REGULAR SAVINGS ACCOUNT, IRA OR COVERDELL SAVINGS ACCOUNT, CHRISTMAS CLUB SAVINGS ACCOUNT, AND MORTGAGE, ESCROW, OR VACATION SAVINGS ACCOUNT sections – Moved the following information to COMMON FEATURES section: Compounding and Crediting, Dividend Period, Daily Balance Computation Method and Accrual of Noncash Deposits.

CHECKING ACCOUNT, OPPORTUNITY CHECKING ACCOUNT, AND FIRST STEP CHECKING ACCOUNT sections – Removed the following information: Rate Information, Compounding and Crediting, Dividend Period, Daily Balance Computation Method and Accrual of Noncash Deposits.

SHARE CERTIFICATE OR JUMBO SHARE CERTIFICATE section – Removed the following information: Compounding Frequency, Dividend Period, Daily Balance Computation Method and Accrual of Noncash Deposits. Added language to address additional disclosure terms once account type is established.

COMMON FEATURES section – Added Annual Transaction Requirement, Member in Good Standing information. Added “For Dividend-Bearing Accounts ONLY section for information moved from CHECKING ACCOUNT, OPPORTUNITY CHECKING ACCOUNT, AND FIRST STEP CHECKING ACCOUNT Compounding and Crediting, Dividend Period, Daily Balance Computation Method and Accrual of Noncash Deposits information. Changed compounding frequency from “every month” to “daily”.

TERMS AND CONDITIONS

MULTIPLE ACCOUNT OWNER ADDENDUM – Supplemental text for accounts multiple owners accounts to address access to periodic statements.

TERMS AND CONDITIONS

AGREEMENT - This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as “this agreement”) that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. The credit union reserves the right to pull a credit report on all potential new members at the time of account opening. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state in which the branch office where you opened your account is located and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). ***For accounts opened online, the governing state law is West Virginia.*** The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law. As used in this agreement the words “we,” “our,” and “us” mean the financial institution and the words “you” and “your” mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms “you” and “your” should not be interpreted, to expand an individual’s responsibility for an organization’s liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular. In South Carolina and Texas, “party” means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

Throughout this document, when a provision is identified as being applicable to a certain state (for example, “in Pennsylvania”), it means that the

provision is only applicable if your account is held at a branch located in that particular state. Any provision which is not described as applying to a particular state, applies to your account.

In General, OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - Unless otherwise stated on beneficiary designation documentation, at death of the last surviving account owner/party, all living beneficiaries will own the account in equal shares. Alternatively, you may choose to designate unequal shares of ownership of the account to each beneficiary by providing percentages to us, in writing, at the time of designating beneficiaries. Percentages must equal 100%; if assigned percentages do not equal 100%, the credit union may default to equal share beneficiary ownership or ask you to correct the designation. If at death of the last surviving account owner/party, not all beneficiaries are living and unequal shares were previously chosen, the unassigned portion of the shares (due to the death of a beneficiary) will be re-designated equally to all surviving beneficiaries. Beneficiary designation for an account applies to all sub-accounts under the regular savings accounts/member number, except for Individual Retirement Accounts (IRA) and Coverdell Savings Accounts. IRAs and Coverdell Savings Account beneficiaries are designated separately and may differ from the beneficiaries on the membership/account(s).

AMENDMENTS AND TERMINATION - We may amend or delete any term of our bylaws or this agreement. We may also add new terms to our bylaws or to this agreement. In addition, we may suspend, modify, convert, or terminate a service, convert this account to another account type, or close this account for any reason (including if your membership in the credit union terminates). For any of these types of changes, we will give you reasonable notice in writing by any reasonable method including by mail, by any electronic communication method to which you have agreed, on or with a periodic statement, or through any other method permitted by law. If we close the account, we will tender the account balance to you or your agent personally, by mail, or by another agreed upon method.

Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change becomes effective. For instance, if we suspect fraudulent activity with respect to your account, and if we deem it appropriate under the circumstances and necessary to prevent further fraud, we might immediately freeze or close your account and then give you notice.

Unless otherwise indicated in the notice of change, if we have notified you of a change to your account, and you continue to have your account after the effective date of the change, you have accepted and agreed to the new or modified terms. You should review any change in terms notice carefully as the notice will provide important information of which you may need to be aware.

We reserve the right to waive any term of this agreement. However, such waiver shall not affect our right to enforce the term at a later date. If you request that we close your account, you are responsible for leaving enough money in the account to cover any outstanding items or transactions to be paid from the account. Once any outstanding items or transactions are paid, we will close the account and tender the account balance, if any, to you or your agent personally, by mail, or by another agreed upon method. Only a joint tenant that is a member can close an account.

Any items and transactions presented for payment after the account is closed may be dishonored. Any deposits we receive after the account is closed may be returned. We will not be liable for any damages for not honoring any such debits or deposits received after the account is closed.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

LEGAL ACTIONS AFFECTING YOUR ACCOUNT - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account, **or take other action as may be appropriate under the circumstances**, until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

CHANGES IN NAME AND CONTACT INFORMATION - You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. When moving to a foreign (non-U.S.) country, whether temporarily or permanently, you are responsible for providing your citizenship status and proper tax documentation. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. **We have no obligation to verify information supplied by you or to discover correct information if the information you have provided is determined to be incorrect or no longer valid. However, if provided elsewhere**, we may impose a service fee if we attempt to locate you.

TRUTH IN SAVINGS DISCLOSURE

SHARE CERTIFICATE OR JUMBO SHARE CERTIFICATE –

Rate Information - The dividend rate and annual percentage yield is fixed and will be in effect for the initial term of the account.

Crediting frequency - Dividends will be credited to your account every month. Alternatively, you may choose to have dividends paid to you or to another account as requested rather than credited to this account.

Minimum balance requirements - The minimum balance required to open this account is \$100.00 for Share Certificate or \$100,000.00 for Jumbo Share Certificate.

Transaction limitations - After the account is opened, you may not make additions into the account until the maturity date stated on the account. You may make withdrawals of principal from your account before maturity.

Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw dividends credited in the term before maturity of that term without penalty. You can withdraw dividends anytime during the term of crediting after they are credited to your account. This dividend withdrawal limitation does not apply if you have made arrangements to have dividends paid to you or to another account in lieu of having them credited to this account.

Time requirements - Your account will mature **based on term selected; see your Share Certificate Disclosure for additional information.**

Early withdrawal penalties (a penalty may be imposed for withdrawals before maturity) –

- If your account has an original maturity of three months: The penalty we may impose will equal all dividends that have been earned on total certificate principal or one month's dividends on the amount withdrawn, whichever is less (minimum withdrawal penalty \$25.00).

- If your account has an original maturity of six months: The penalty we may impose will equal all dividends that have been earned on total certificate principal or two month's dividends on the amount withdrawn, whichever is less (minimum withdrawal penalty \$25.00).
- If your account has an original maturity of 12 months: The penalty we may impose will equal all dividends that have been earned on total certificate principal or three month's dividends on the amount withdrawn, whichever is less (minimum withdrawal penalty \$25.00).
- If your account has an original maturity of more than 12 months: The penalty we may impose will equal all dividends that have been earned on total certificate principal or four month's dividends on the amount withdrawn, whichever is less (minimum withdrawal penalty \$25.00).

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

Withdrawal of dividends prior to maturity - The annual percentage yield is based on an assumption that dividends will remain in the account until maturity. A withdrawal will reduce earnings.

For requests to withdraw dividends monthly, checks will not be mailed in an amount less than \$20.00. Those funds will be deposited to the share savings on that account unless otherwise requested.

Automatically renewable account - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity. If you prevent renewal, dividends will not accrue after final maturity.

Each renewal term will be the same as the original term, beginning on the maturity date. The dividend rate will be the same we offer on new term share accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original term share account.

See your Share Certificate disclosure for additional information.

COMMON FEATURES –

For all accounts:

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

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

Annual Transaction Requirement - *To remain open and active, each account type must have a balance greater than \$0 and at least one transaction during every rolling 12-month period.*

Member In Good Standing - *The services described within this, and other disclosures are available to members in good standing. We may limit services for any member that is not in good standing. A member in good standing is a member who: i. Maintains at least their minimum share, as defined within the Credit Union's bylaws; ii. Has not had any account with the Credit Union closed due to abuse or negligent behavior; iii. Has not caused a financial loss to the Credit Union; and iv. Has not engaged in violent, belligerent, disruptive, or abusive activities.*

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

For dividend-bearing accounts ONLY:

Nature of dividends - *Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. (This disclosure further explains the dividend feature of your non-term savings account(s).)*

Compounding and Crediting - *Dividends will be compounded daily and credited to your account monthly.*

Dividend Period - *The dividend period is monthly, 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.*

Daily Balance Computation Method - *dividends are calculated by the daily balance method which applies a daily periodic rate to the balance in the account each day.*

Accrual of Dividends of Noncash Deposits - *Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.*

TERMS AND CONDITIONS – MULTIPLE ACCOUNT OWNER ADDENDUM

The following information is additional details regarding multiple account owners.

The account ownership type indicated on the membership application applies to all deposit accounts under that membership, except Individual Retirement Accounts (IRA) (which are individually owned). The ownership type of a loan is based on the applicant(s) included on each loan application. Varying account ownerships under one membership is important when understanding who can view the accounts and what information can be viewed, as all deposit accounts and loans under one membership appear on the same periodic statement, regardless of ownership type.

All owners under a single BHFCU membership have the same access to the account statement as the primary member in Online/Mobile Banking, including accounts held individually. For example, a joint owner will have access to account statement information of an IRA solely held by the primary member.



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency