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Truth-In-Savings Disclosure & Agreement

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**PLEASE KEEP THIS BROCHURE
FOR YOUR RECORDS**

THIS DISCLOSURE SUPERCEDES
ALL DISCLOSURES PRIOR TO THE
EFFECTIVE DATE SHOWN BELOW.

Effective February 1, 2010

In the following agreement(s), the words "You", "Your", and "Yours" mean each and all of those (whether one or more persons) who are subject to the agreement(s) as a result of signing a Membership Invitation or Share Certificate for each respective account. The words "We", "Us", "Our" and "Credit Union" mean PARSONS FEDERAL CREDIT UNION.

This disclosure is presented for your information and is accurate as of the date shown on the cover. Furthermore, the Credit Union's Schedule of Fees and Deposit Rate Sheet is incorporated herein by reference. We have the right to change its terms and conditions or amend this disclosure from time to time. However, before any fee or charge is increased or added, or terms and conditions amended, you will receive advance notice as required by law at your address of record. You may always obtain more information by calling our Member Services Department at (626) 440-7000.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: 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 you: 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 make a copy of your driver license or other identifying documents.

TRUTH-IN-SAVINGS DISCLOSURE GENERAL INFORMATION

ACCRUAL OF DIVIDENDS: Dividends begin to accrue on the business day you deposit non-cash items (e.g., checks) or cash items to your account if deposited before the close of business.

NATURE OF DIVIDENDS: Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period.

BYLAW REQUIREMENTS: Shares may be transferred from one qualified member to another or disbursed to any third party by means of a share draft or other third party payment device.

The Credit Union shall be informed of all transfers of shares. The board of directors may, from time to time, establish a reasonable transfer fee.

In accordance with terms and conditions established by the board of directors, funds may be transferred from regular and/or special shares of a member to another share account of the member or to a loan account. Transfers to another member or disbursements to a third party will not be permitted to the extent the transferor is indebted to the Credit Union. The Credit Union reserves the right, at any time, to require members to give, in writing, not more than 60 days' notice of intention to withdraw shares.

If you cause the Credit Union to suffer a financial loss, we will discontinue providing member services for you.

If you close your account and the Credit Union has suffered a financial loss, we will exercise our right not to allow you to re-open the account.

The Credit Union may change established dividend periods. If the change occurs after the close of the current dividend period, reasonable action will be taken to notify members of the change. If the change will apply to the current period, members will be notified within a reasonable time prior to the end of such period.

DIVIDEND COMPOUNDING AND CREDITING: Dividends will compound monthly, will be credited monthly or quarterly and the dividend period is monthly or quarterly. 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 this same pattern of dates. The dividend declaration date typically precedes the beginning date of the dividend period.

Except for certificates, if you close your account before dividends are credited, you will not receive accrued dividends.

BALANCE INFORMATION: We compute the balance in your account to determine the dividends you will be paid by using the daily balance method which applies a periodic rate to the daily balance in the account for the period. We calculate the 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.

PAR VALUE MINIMUM BALANCE REQUIREMENTS: The par value of one share in the Credit Union is \$25.00. You must purchase and maintain one (1) \$25.00 share in your Regular Share Account to open and maintain any account with the Credit Union.

CREDIT REPORTS: You authorize us to obtain credit reports as we deem necessary for purposes of determining future credit opportunities with you and you authorize any person, association or corporation to furnish, on our request, credit reports. You also authorize us to furnish information concerning your account(s) with us to credit reporting agencies.

YOUR SHARE ACCOUNTS

Our Share Accounts are called Regular Share Account, Holiday Club Account and IRA Account.

YOUR REGULAR SHARE ACCOUNT

RATE INFORMATION: The initial dividend rate and annual percentage yield ("APY") on your Regular Share Account are stated on the Rate Sheet accompanying this Disclosure.

Your Regular Share Account is a variable rate account. This rate and APY may change at any time at the Credit Union's discretion.

MINIMUM DEPOSIT AND BALANCE REQUIREMENTS: Your Regular Share Account has certain minimum deposit and minimum balance requirements.

The minimum deposit required to open your Regular Share Account is \$25.00.

Other than as stated above under the par value/minimum balance requirements, no minimum balance requirements apply to your regular share account.

TRANSACTION LIMITATIONS: Other than as stated above, no transaction limitations apply to your Regular Share Account, except for Regulation D restrictions on electronic funds transfers. (See Page 6, Item 34).

YOUR HOLIDAY CLUB ACCOUNT

RATE INFORMATION: The initial dividend rate and annual percentage yield ("APY") on your Holiday Club Account are stated on the Rate Sheet accompanying this Disclosure.

Your Club Account is a variable rate account. This rate and APY may change at any time at the Credit Union's discretion.

MINIMUM DEPOSIT AND BALANCE REQUIREMENTS: Your Club Account has certain minimum deposit and minimum balance requirements.

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

You must maintain a minimum daily balance of \$25.00 in your Regular Share Account to avoid closure of your Club Account. If during any quarter your daily balance in your Regular Share Account falls below the required minimum balance, we may close your Club Account.

TRANSACTION LIMITATIONS: There are certain transaction limitations associated with your Club Account(s).

No withdrawals will be permitted from your Holiday Club Account. The balance in your Holiday Club Account will be transferred to your Checking/Savings Account on November 1 of each year. However, Holiday Club Accounts may be closed at anytime.

YOUR IRA ACCOUNT

Parsons Federal Credit Union offers an IRA Account which allows the depositor to accumulate tax deferred savings.

RATE INFORMATION: The initial dividend rate and annual percentage yield ("APY") on your IRA Account are stated on the Rate Sheet accompanying this Disclosure.

Your IRA Account is a variable rate account. This rate and APY may change at any time at the Credit Union's discretion.

TRANSACTION LIMITATIONS: Other than as stated above, no transaction limitations apply to your IRA Account; however, certain federal and state penalties may apply if IRA funds (including dividends earned on IRA funds) are withdrawn early and the yearly maximum contribution you may make to an IRA Account is limited under the Internal Revenue Code.

YOUR CERTIFICATE ACCOUNT

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS: There are minimum balance requirements on all PFCU Certificate Accounts. All deposit requirements and minimum balance requirements are stated on the Certificate Rate and Term Schedule. You must maintain this minimum balance in your Certificate Account to obtain the annual percentage yield stated on the Rate Schedule and to avoid closure.

VARIABLE RATE CERTIFICATES: When Dividend Rates Change: The dividend rate for Certificates may change on the first day of the month. The amount will be added to the original balance and the sum will be subject to the dividend rate then in effect for certificates.

Index: Adjustments in the dividend rate will be based on the Federal Home Loan bank's 11th District Cost of Funds. Call (415) 616-2600 for Current Rate.

How Dividend Rates Change: Before each Change Date, the current index amount will be determined and a margin established by the Board of Directors of this Credit Union, will be deducted. This is the new dividend rate and is effective on the first day of the month. This rate will apply to the balance of your account.

RENEWAL OF ACCOUNT / GRACE PERIOD: Unless otherwise instructed at the time you open Your Certificate Account, upon maturity your Certificate Account will automatically renew for the same term as the original term unless you notify us otherwise, or you withdraw or transfer your Certificate Account at maturity. There is a seven (7) calendar day grace period following maturity of the Certificate Account.

EARLY WITHDRAWAL PENALTY: We may impose a penalty if you withdraw the principal from your Certificate Account before the maturity date. The penalty imposed shall be based on the amount withdrawn and as follows:

- 90 days' interest if the qualifying period is one year or less.
- 180 days' interest if the qualifying period is greater than one year.

If the amount withdrawn reduces the principal balance below the stated minimum, you will be assessed a penalty on the entire principal balance, we will cancel the Certificate and transfer any remaining balance to your regular savings account.

DIVIDEND WITHDRAWAL: You may make withdrawals of dividends from your account at any time.

IRA CERTIFICATE ACCOUNTS

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS: There are minimum balance requirements on all PFCU IRA Certificate Accounts. All deposit requirements and minimum balance requirements are stated on the Certificate Rate and Term Schedule. You must maintain this minimum balance in your account to obtain the annual percentage yield stated on the Rate Schedule and to avoid closure.

RENEWAL OF ACCOUNT / GRACE PERIOD: Your IRA Certificate Account will automatically renew at maturity for the same time period as the original term unless you notify us otherwise, or you withdraw or transfer your account at maturity. There is a seven (7) calendar day grace period following maturity for the account.

EARLY WITHDRAWAL PENALTY: We may impose a penalty if you withdraw the principal from your IRA Certificate Account before the maturity date. The penalty imposed shall be based on the amount withdrawn and as follows:

- 90 days' interest if the qualifying period is one year less.
- 180 days' interest if the qualifying period is greater than one year.

If the amount withdrawn reduces the principal balance below the stated minimum, you will be assessed a penalty on the entire principal balance, we will cancel the IRA Certificate Account and transfer any remaining balance to your Regular Share Account.

ACCOUNT LIMITATIONS: You may not make withdrawals from this IRA Certificate Account until the maturity date. However, penalties do not apply to normal distributions from an IRA Certificate after you attain age 59 1/2. You must begin IRA withdrawals by April 1st the year after you reach 70 1/2 years in accordance with Federal Regulations governing IRA accounts.

YOUR SHARE DRAFT (CHECKING) ACCOUNT

PARSONS FEDERAL CREDIT UNION offers a Share Draft (Checking) Account which lets you withdraw your money and write checks against your Account at any time.

1. You authorize us to establish a Checking Account. We are hereby authorized to recognize any of the signatures subscribed to on the Checking Account Application or Membership Invitation for the payment of funds or the transaction of any business for this Account.
2. We are authorized to pay checks signed by you and the payments will be charged against your Account.
3. The Credit Union is under no obligation to pay a check or honor any other withdrawal that exceeds the fully paid and collected balance in the Checking Account. However, if you write a check or make a withdrawal by any other approved method that would exceed such balance and result in the Checking Account being overdrawn, the Credit Union may, as indicated by you on the Checking Account Application or the Membership Invitation:
 - (1) Treat such checks and withdrawals as a request to the Credit Union for an advance (in multiples of \$100.00) from the loan account identified on your Checking Account Application or Membership Invitation sufficient to permit the Credit Union to pay such check or withdrawal and credit the loan advance to the Checking Account; or
 - (2) Pay such check or withdrawal and transfer shares to the Checking Account in the amount of the resulting overdraft, from any other regular share account from which you have authorized us to withdraw shares.
4. Our authority under this agreement may not be changed or terminated by you, except by written notice to us which will not affect any prior transaction.
5. Only PARSONS FEDERAL CREDIT UNION checks, or other methods approved by us, may be used to withdraw funds from the account.
6. Except for negligence, we are not liable for any action we take regarding the payment or non-payment of a check.
7. Any objection regarding any item shown on a monthly statement of the account shall be waived unless made in writing to us on or before the 20th day following the day the statement was mailed, except where the Uniform Commercial Code ("UCC") provides otherwise.
8. We are under no obligation to pay a check on which the date is more than six months old unless you give us notice otherwise as required under the UCC. We are under no obligation to hold a post-dated check and we reserve the right to process every item presented as if dated the same date received by us or our check processor unless you give us notice as required under the UCC.
9. You shall be liable for such service charge/fees as we may impose for returned items written against insufficient funds, closed accounts, returned items deposited into the Account, and for other services in accordance with our Schedule of Fees.
10. We are authorized to deduct any account service charge/fee from your Checking Account or any of your Share Accounts without prior notice to you. If sufficient funds are not available in your Share Accounts, then funds available under the Overdraft Protection Option may be used to pay service charges or fees.
11. All non-cash share deposits or payments received in the account may be placed on hold in accordance with our policy of Delayed Availability of Deposited Funds. All non-cash items are credited subject to final payment.
12. Provided such request is timely so that we shall have a reasonable opportunity to act upon it, you may order stop payment of any check payable against your account. If the order is verbal it shall be valid only fourteen (14) days thereafter unless confirmed in writing. Written orders shall be valid for six (6) months and may be renewed for additional six (6) month periods. You have the burden of establishing the fact and the amount of the loss resulting from any stop payment contrary to a binding stop payment. A fee may be charged as provided in our Schedule of Fees.
13. Your death, dissolution or incompetence shall not revoke our authority to accept, pay or collect checks or to account for proceeds of its collection until we know of the fact of your death, dissolution or incompetence and have a reasonable opportunity to act on it. Even with knowledge, we may, for ten (10) days after the notification of death, dissolution or incompetence, pay or guarantee checks drawn on or prior to the date unless ordered in writing to stop payment by a person claiming an interest in the account. We must be notified if any of you die, become incompetent or your organization is dissolved.
14. A photocopy of a paid check is available for seven (7) years from the date the check was paid by us. A fee may be charged as provided in our Schedule of Fees.
15. You authorize us to release information regarding the status and history of your Account to others such as credit bureaus.
16. We will charge the Account for check printing costs at the time the charge is received from the printer. If there are not sufficient funds in the Account, we

may charge any other Share Account held by any of the named account owners of this Account.

17. You agree and authorize us that when paid, checks become the property of the Credit Union and will not be returned with the periodic statement of this account or otherwise.
18. Please refer to our Schedule of Fees as they apply to your Checking Accounts.
19. RATE INFORMATION: The initial dividend rate and annual percentage yield ("APY") on your Checking Account are stated on the Deposit Rate Sheet accompanying this Disclosure.
20. Your Checking Account is a variable rate account. This rate and APY may change at any time at the Credit Union's discretion.
21. MINIMUM DEPOSIT AND BALANCE REQUIREMENTS: There is no minimum deposit required for you to open your Checking Account.
22. TRANSACTION LIMITATIONS: No transaction limitations apply to your Checking Account.

TERMS AND CONDITIONS APPLICABLE TO ALL ACCOUNTS

1. You must be a member in good standing to maintain any account.
2. All Accounts (except Checking Accounts) are not transferable except on the records of PARSONS FEDERAL CREDIT UNION.
3. We may endorse checks for you which we receive for deposit.
4. All non-cash payments received for credit to any account are credited subject to final payment. Your right to withdraw funds represented by certain checks or other items you deposit may be delayed for several days. You will be notified if your right to withdraw will be delayed. Please refer to the Credit Union's Disclosure of Delayed Availability of Deposited Funds for further details.
5. All account statements will be sent only to your address of record. You shall exercise reasonable care and promptness in reconciling your statement, but in all cases within the applicable time limits set forth in the Uniform Commercial Code or you are precluded from any objection against us.
6. We may pay out funds or transact business pertaining to any account with the signature of any one (1) of the account owners or the signature of any designated agent. If we receive written notice from an owner that withdrawals in accordance with the terms of the account should not be permitted, we may refuse, without liability, to pay any sums on deposit pending a determination of the rights of the owners. Further, if there is more than one owner and there is a conflict between owners, we may require the signatures of all owners.
7. You or we may terminate your account at any time. You understand, however, that your authority to us may not be changed or terminated except by written notice to us which will not affect prior transactions. You understand that it is our policy that so long as you have an outstanding loan balance, you may not close out your share account with us.
8. You understand that Individual, Joint, Trust, and Pay-on-Death accounts are subject to the Multiple Party Accounts Law, Division 5 of the California Probate Code, as now in effect or hereafter amended.
9. We are not responsible for items lost while not in our possession.
10. California law states that inactive balances must be turned over to the State (escheated) after a period of 3 years if you have not:
 - A. Increased or decreased the amount of any of your account(s) with us or presented an appropriate record of crediting dividends or cashed a dividend check from any of your accounts with us; or
 - B. Corresponded in writing or electronically with us concerning any of your accounts with us; or
 - C. Otherwise indicated an interest in any of your accounts with us as evidenced by a memorandum on file with us.

We may charge a fee for mailing an escheat notice. To recover funds turned over to the state, you must file a claim with the state.
11. You agree that by signing any account Membership Invitation, IRA Agreement or Simplifier or Share Certificate, you are also subject to the terms and conditions of the form of account (as described below and as stated on the Membership Invitation) which you have selected. The terms and conditions stated on the account Membership Invitation, Share Certificate, or any IRA Agreement or Simplifier you sign are fully incorporated by reference herein.
12. Please refer to our Schedule of Fees and Deposit Rate Sheet as they apply to all accounts. We shall debit such fees from any account you own (except an IRA Account), if there are insufficient funds available, the fees are payable on demand, and for Checking Accounts, will be treated as an overdraft.
13. Any payment made by us on your account in good faith and in reliance on the terms and conditions of this Truth-in-Savings Disclosure and Agreement and Membership Invitation shall be valid and discharge us from liability.
14. Ownership of the account will be established by the most recent Membership Invitation or other document(s) evidencing such accounts. A different form of ownership may be established by executing a new Membership Invitation.
15. Although you are not obligated to, we may pay or accept checks and other items bearing restrictions or notations (e.g., "Void after 6 months," "Void over \$50.00," "Payment in Full," and the like), whether on the front or back, in any form or format. If you cash or deposit an item or write a check with such notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item. You agree to indemnify and hold us harmless from any claim or alleged loss of any make or payee or the funds are otherwise deposited into an account in which you have an interest.
16. You agree that we will not be responsible to you for any damages you may incur in the event you deposit an item with us which is later returned unpaid by the paying bank and that return is "late" due to markings on the back of the check caused by a prior endorser.

17. If we are served with a restraining order, garnishment, writ of execution or attachment, tax levy or other legal process with which we must by law comply, we will, to the extent permitted by law, notify you accordingly.

18. If we receive a Writ of Attachment within the first hour we are open, we must reverse any checks deposited the night before if needed to achieve full balance.

19. **SPECIAL NOTICE REGARDING ENDORSEMENT STANDARDS:** The federal law dealing with funds availability requires the financial institution's endorsement area on the back of a check be kept clear or unobstructed.

This rule is designed to prevent unnecessary delays in processing your deposits as well as to promote speedier returns of dishonored checks. Only the 1-1/2 inch space from the "trailing edge" (the left edge of the backside of the check when it is facing you) can be used by you for endorsements or any other markings.

We will not be responsible for any damages incurred in the event you deposit an item which is subsequently returned unpaid by the paying bank and that return is "late" due to markings on the check caused by you or a prior endorser on the back of the check.

In the event that you draw any check on your Account(s) with us, you are responsible for any delay or misrouting of the check caused by markings placed on the check by you that obscure any depository endorsements placed by us or our agent and you agree to hold us harmless and indemnify us from any liability due to such delay or misrouting.

20. You authorize us to gather whatever credit, Checking Account and employment information we consider appropriate from time to time. You understand that this will assist us in determining your initial and ongoing eligibility for an Account. You authorize us to give information concerning our experience with you to others.

21. In the event that a negative balance is created in any of your Share or Checking Accounts (whether due to ATM activity, nonsufficient funds activity, Credit Union imposed fees and charges, or otherwise) you understand and agree that we may transfer funds to such Account from any other Share, Checking Account or Line of Credit Account (excluding IRA Accounts), including Account(s) upon which you are a joint owner, in an amount equal to the negative Account balance.

22. You must be a member in good standing to maintain any savings, checking and/or loan Accounts. We may report information about your Account to credit bureaus. Late payments, missed payments, negative balances, or other defaults on your Account may be reflected in your credit report.

23. In the event that a money order, cashier's, teller's, or certified check is lost or stolen, you must execute and deliver to us a written Stop Payment Request and Indemnification Agreement and/or affidavit in a form acceptable to us and in time for us to have a reasonable time to act thereon. You further understand and agree that the Stop Payment Request and Indemnification Agreement is not enforceable until the later of: (1) the time the Stop Payment Request and Indemnification Agreement is properly delivered to us, or (2) the 90th day following the date of the cashier's or teller's check, or the 90th day following the date of the attempting to, or stopping payment on such check. You agree to indemnify us for any loss or claim occasioned by our attempting to, or making, your stop payment.

24. An action or proceeding by you to enforce an obligation, duty or right arising under this Agreement or by law with respect to your Account must be commenced within one year after the cause of action occurs.

25. **COLLECTION ITEMS:** Some items, such as items subject to processing delays (e.g., insurance drafts, returned substitute checks and foreign items), cannot be credited to your Account until we receive the funds. On such items, we will tell you this and give you an estimate of the time it will take to receive the funds. When funds are received, we will notify you and immediately credit your Account for that amount minus any service charge levied by a third party. Refer to our current Schedule of Fees.

26. If you voluntarily give information about your Account (such as your routing number and your Account number) to a party who is seeking to sell you goods or services, and you don't physically deliver a check to the party, any debit to your Account initiated by the party to whom you give the information is deemed authorized.

27. **LOST ITEMS FOR DEPOSIT OR ENCASHMENT:** We act only as your collection agent when receiving items for deposit or encashment. You should be aware that we reserve the right to reverse the credit for any deposited item or charge your Account for cashed items should they become lost while in the process of collection. If we do not reverse a credit, you agree to assist us in collecting the amount of any lost items by providing us with such information and other assistance as we request. We may charge your Account when a photocopy of a check you have written is presented to us for payment in place of a lost original, unless a stop payment order is in effect for the check.

28. **ACCOUNT SERVICES FOR MINORS:** The Credit Union may, from time to time, elect to offer and/or provide minors with access to their Credit Union funds via Checking Accounts and/or debit cards. In such cases, the Credit Union recognizes that minors cannot be legally bound by the wording in the related contractual Account agreements. An adult joint owner may be required and will be the responsible party for the Account.

29. **TERMINATION / RESTRICTION ON ACCOUNTS:** Consistent with the Credit Union's bylaws, your Account or other relationship with us may be terminated by you or by us at any time and without previous notice. Closure of an Account will not affect your obligation to pay any outstanding balances or charges owed. We may terminate the Account by mailing you a notice (prior to or immediately after closing the Account) and/or a check for the Account balance. Thereafter, the funds will stop earning interest (even if the check is returned or remains un-cashed for any reason).

Your Account(s) may also be terminated or closed by us at any time, without prior notification, if it has a zero balance, for a period greater than three

months. The Credit Union also reserves the right to close your Account without prior notification if: (1) there has been a forgery or fraud reported or committed involving your Account; (2) there is a dispute as to the ownership of the funds in the Account; (3) your Account checks are lost or stolen; (4) there are excessive returned unpaid items; or, (5) there has been any misrepresentation, deliberate manipulation or any abuse of your Account. Manipulation includes, but is not limited to, kiting and repeated patterns of transactions which have no apparent business reason other than to take advantage of Regulation "CC" hold periods and/or "interest float" to our detriment.

We reserve the right to suspend or deny all services, close your Account and, if appropriate restrict your access to Credit Union premises if you fail to conduct your business with the Credit Union in a civil and business-like way. Violence, or threats of violence, against Credit Union staff, volunteers or other Members will not be tolerated.

You may terminate any Account at any time by notifying us in writing 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 any Account. The Credit Union is not responsible for payment of any check, withdrawal or other item once any Account is terminated; however, if the Credit Union pays any items after termination, or if any Account is terminated due to overdraft, you agree to reimburse the Credit Union for any payment or overdraft.

30. Address change requests must be in writing and may require authorization from the Primary Account Owner.

31. If a check or other item which we cash for you or which you deposit to your account is returned to us as unpaid for any reason, we may charge your account for the amount of the check or other item. This may include, among other circumstances, checks which were paid originally and later are returned to us accompanied by documentation indicating that the endorsement is forged or unauthorized or that the item has been altered in any way. We may charge your account for the amount without questioning the truth of such documentation. We may also charge back any amount of accrued or paid dividends related to the returned check.

32. **SECURITY INTEREST:** Each and every owner of this/these account(s) shall be jointly and severally liable for any and all losses and damages to the Credit Union occasioned by any owner. Further, each and every owner pledges as collateral for any loss or damage suffered by the Credit Union all funds on deposit (except funds held in IRAs) with the Credit Union along with any other collateral pledged either currently or in the future for any loan, and if the owner's have or will have from the Credit Union. This pledge of collateral is meant to secure the payment of all debts and obligations each owner owes to the Credit Union either currently or in the future. However, this cross collateral provision does not apply to any loan secured by any owner's principle residence or any other real property that an owner now owns or may hereafter acquire. In the event any owner does not repay his/her debt, obligation or loss, all owners authorize the Credit Union to apply, without notice, any and all such shares or deposits to the debt, obligation or loss and/or obtain possession of the collateral, sell same pursuant to applicable law and apply the proceeds to the debt, obligation or loss.

33. If you are a U.S. citizen, Federal law requires that we obtain and have certified by you a Taxpayer Identification Number (TIN) on all accounts. We will not open an account without this identification number. For any additional information on this requirement, read "instruction to payer's request for taxpayer identification number and certification (IRS form w-9)."

34. **REGULATION D RESTRICTIONS ON ELECTRONIC FUNDS TRANSFERS:** During any month, you may not make more than six withdrawals or transfers from your Share Accounts to another Credit Union account of yours or to a third party by means of a preauthorized or automatic transfer or telephonic (such as PARS Audio Response, CU Online Home Banking, Mobile Banking, fax or personal computer) order or instruction. You may make an unlimited number of withdrawals from, or transfers among, your Share Accounts by mail, messenger or in person at the Credit Union or at an ATM. You may also make an unlimited number of withdrawals from your Share Accounts through PARS Audio Response or CU Online Home Banking if you request that we send you a check.

Transfers in excess of the above limitations may not be honored.

TERMS AND CONDITIONS APPLICABLE TO ALL INDIVIDUAL AND JOINT ACCOUNTS

1. If there is more than one owner, all agree with each other and with us that all sums now paid in on shares or hereafter paid in on shares by any one or all account owner(s) including all dividends thereon, if any, are and shall be owned by all account owner(s) jointly and equally regardless of their net contributions with a right of survivorship and regardless of their net contributions shall be subject to withdrawal or receipt by any of the account owner(s) or the survivor(s) of any of the account owner(s). Any such payment shall be valid and shall discharge the Credit Union from any liability.

2. We are not obligated to inquire as to the source of funds received for deposit to a joint account or to inquire as to the proposed use of any sums withdrawn from the account for the purpose of establishing net contributions.

3. No transfer of voting rights or other membership privileges is permitted by virtue of a transfer of shares.

4. You understand that you are pledging any and all of the shares on deposit in the account (except IRAs) as collateral security for any loans subject to then current loan policies. Further, a pledge of shares by any one of you shall be binding on all of you.

TERMS AND CONDITIONS APPLICABLE TO PAY-ON-DEATH (P.O.D.) TOTTEN TRUST DESIGNATIONS

If you have made a pay-on-death (P.O.D.) designation, all sums are payable on request to you during your lifetime and upon your death to your designated P.O.D. payee(s) or if the account is jointly owned, to one or more account owner(s), during their lives and on the death of all of them to one or more payees then surviving in equal and individual shares. As between P.O.D. payees, there is no right of survivorship.

TERMS AND CONDITIONS APPLICABLE TO TRUST ACCOUNTS

1. The trustee(s) declare that the account is, and any and all sums credited to such Share Account are and shall be, held by you, (if there is more than one trustee as joint tenants and equally regardless of your net contributions with right of survivorship) in trust for the Beneficiary(ies) named on the Trustee's Account Agreement and Certificate of Trust or Share Certificate, reserving to you the right (1) to have dividends declared on the Share Account paid to you; and (2) to revoke such trust in whole or in part, at any time or times by executing and delivering to us a request for withdrawal or pledge of shares of the whole or part of such share account, and such trust shall be revoked as to the whole or part to which such request relates.
2. In the event of your death or, if the account is held by more than one person, the death of your survivor, then and only then, we shall pay such Share Account amount to the Beneficiary if then living (if more than one Beneficiary is designated then equally to those Beneficiaries living at the date of your death or the death of your survivor), but if there is no surviving Beneficiary, we shall pay such share account amount to your estate or the estate of your survivor. There is no right of survivorship between beneficiaries.
3. A right of survivorship or a beneficiary designation in a trust account cannot be changed by will.

TERMS AND CONDITIONS APPLICABLE TO ALL CUSTODIAL ACCOUNTS

1. The custodian is opening an account as custodian for the minor named on the Membership Invitation, Kids Club Account Application, Transfer To Minors Agreement or share certificate under the Uniform Transfers to Minors Act. The transfer of money to the minor named on the Membership Invitation, Kids Club Account Application, Transfer To Minors Agreement or share certificate, which transfer shall deemed to include all dividends and any future additions thereto, is irrevocable and is made in accordance with and to include all provisions of the said statute of the State of California now in effect or hereinafter amended.
2. You acknowledge that by signing the Membership Invitation, Kids Club Account Application, Transfer To Minors Agreement or share certificate, you have received the funds deposited to the account as custodian for the minor named herein under the Uniform Transfers to Minors Act.
3. The successor custodian named in the Membership Invitation, Kids Club Account Application, Transfer To Minors Agreement or share certificate shall serve if you should be unable to act as custodian because you resign, die, or become legally incapacitated.

TERMS AND CONDITIONS APPLICABLE TO ALL FIDUCIARY ACCOUNTS

1. You are duly appointed and acting in the capacity of Executor / Executrix, Administrator / Administratrix, Guardian or Conservator. By the authority vested in you, you are, acting individually or jointly, authorized and empowered to transact business of any character. Your authority shall continue in force until written notice to the contrary is received by us.
2. You may pledge any or all shares on deposit in the account as collateral security for any loan(s) subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this Truth-in-Savings Disclosure and Agreement as well as the terms of the Checking Account Agreement.
4. If the account is blocked, you understand that you shall file with the Court a written receipt including the agreement with the Credit Union that the money in the account, including any earnings thereon, shall not be withdrawn except upon court order.

TERMS AND CONDITIONS APPLICABLE TO ALL UNINCORPORATED ASSOCIATION ACCOUNTS

1. The persons named on the Membership Invitation or Share Certificate duly authorized to make certification, certify that at a regularly held meeting the person(s) named were elected or appointed officers of said organization, and that by virtue of the authority vested in you by the constitution, bylaws or otherwise, any one (1) of the signatures, as named on the Membership Invitation or Share Certificate, is authorized and empowered to transact business of any character whatsoever in connection with the account. You certify that the signature(s) appearing on the Membership Invitation or Share Certificate are the genuine signature(s) of said authorized person(s); and that your authority shall continue in force until written notice to the contrary is received by us.
2. You understand that you are pledging any or all of the shares on deposit in the account as collateral security for any loan or loans subject to then current loan policies.
3. If a Checking Account is opened with us, you agree that the account shall be governed by the terms of this Truth-in-Savings Disclosure and Agreement as well as the terms of the Checking Account Agreement.

DISCLOSURE OF DELAYED AVAILABILITY OF DEPOSITED FUNDS

Our policy is to make funds from your deposits available to you on the first business day after we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit during business hours on a business day that we are open,

Pasadena Branch
Monday, Tuesday, Thursday, Friday: 8:30 am to 4:30 pm
Wednesday 9:00 am to 4:30 pm

Texas Branch
Monday Through Thursday: 8:30 am to 4:30 pm

we will consider that day to be the day of your deposit. However, if you make a deposit on a non-business day, after hours or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

LONGER DELAYS MAY APPLY

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after your deposit. Depending on the type of check that you deposit, funds may not be available until the second (2nd) business day after the day of your deposit. However, the first \$100 of your deposits will be available on the first business day after the day of deposit.

If we are not going to make all the funds from your deposit available on the first business day, 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 made at an ATM or night drop (not directly to a PFCU employee), or if we decide to take this action after you have left the premises, we will mail you the notice the day after we receive your deposit. Deposits to a non-proprietary ATM or CU Service Center Shared Branch location will not be available for two (2) business days. However, the first \$100 of your deposits will be available on the first business day after the day of deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe the collectibility of a check you deposited is doubtful.
- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You re-deposit a check that has been returned unpaid.
- You have had a negative balance on 6(six) or more banking days in the previous 6(six) months, or would have had a negative balance had checks been paid, or on 2(two) or more banking days in the last 6(six) months account was negative in the amount of \$5,000 or more, or would have had checks been paid.
- There is an emergency, such as failure of communications or computer equipment or natural disaster.

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 seventh (7th) business day after the day of your deposit.

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 of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the seventh (7th) 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 fifth (5th) business day after the day of your deposit.

OTHER METHODS OF HOLDS ON FUNDS

Holds on Other Funds (Check Cashing):

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Holds on Other Funds (Other Account):

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

**PARSONS
FEDERAL CREDIT UNION**

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