



Membership and Account Agreement

This Agreement covers your and our rights and responsibilities concerning Accounts that Caribe Federal Credit Union (sometimes referred to as “CFCU”, “Caribe Federal” or the “Credit Union”) offers. In this Agreement, the words "you" and "yours" mean anyone who signs the Membership Application and acceptance of terms in this Membership and Account Agreement (sometimes referred to as the “Agreement” or the “Master Membership Agreement”). The words "we", "us", and "our" means the Credit Union. The word "Account" means any one or more share or other accounts you have with the Credit Union.

By signing the Membership Application, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Funds Availability Policy Disclosure, Truth-in-Savings Rate and Fee Schedule (“Rate and Fee Schedule”), and any Account Receipt accompanying this Agreement, and the Credit Union's Bylaws and policies, and any amendments to these documents from time to time which collectively govern your Membership and Account.

Accounts of Businesses and Organizations. Accounts held in the name of a business or organization member are subject to all of the conditions and terms contained in this Agreement for natural person accounts, and the following additional rules. The Credit Union reserves the right to require the business member to provide an Account Authorization Card or other documentary evidence satisfactory to the Credit Union informing the Credit Union who is authorized to act on the business member’s behalf. No Payment on Death (POD) beneficiary designation (as defined herein below) or other designation shall apply to the Account. You agree to notify the Credit Union of any change in this representative authority of your agent. The Credit Union may rely on your written authorization until such time as the Credit Union is informed in writing and has had a

reasonable time to act upon such notice. The Credit Union may require that third-party checks payable to a business may not be cashed, but must be deposited to a business Account. You agree that the Credit Union shall have no notice of any breach of fiduciary duties arising from any transactions by any agent of the Account owner, unless the Credit Union has actual notice of such breach.

The Unlawful Internet Gambling Enforcement Act of 2006 prohibits gambling businesses from disbursing or accepting payments in connection with unlawful Internet gambling. Under the Act, any person engaged in the business of betting or wagering (as defined by the statute) is prohibited from completing "restricted transactions," or knowingly accepting payments in connection with the participation of another person in unlawful Internet gambling. CFCU will not open accounts for any business involved in this type of activity. However, as required by law, we monitor all account activity, and will restrict any transactions connected with unlawful Internet gambling. If unlawful Internet gambling activity is detected, the account may be restricted or closed.

1. **Membership Eligibility.** To join the Credit Union you must meet the membership requirements including purchase and maintenance of at least one (1) share ("membership share") as set forth in the Credit Union's Bylaws. You hereby consent and authorize Caribe Federal to obtain your credit report from a consumer reporting agency in order to: consider your application for an extension of credit; review or collect your Account; review your Account to determine whether you are in compliance with the terms and conditions of your Account, thus Caribe Federal may renew or continue the service for which you are applying; consider you to extend unsolicited offers of credit and other product of Caribe Federal, in the event you meet certain pre-established criteria and/or requisites; and any other permissible use according to the Federal Fair Credit Reporting Act. In addition, you understand that Caribe Federal reserves the right to verify your eligibility for membership, whether through your employer and/or sponsoring family member.

2. **Single Party Account.** A single party account is an Account owned by one member (individual, corporation, partnership, limited liability company, trust or other legal entity or organization) qualified for credit union membership. If the Account owner dies, the interest passes, subject to applicable law, to the decedent's estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions in this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death.

3. **Joint Accounts.** An Account owned by two or more persons is a Joint Account.

a. Deceased owner's interest. For a Joint Account the deceased owner's interest passes to his or her estate. A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner's obligations to the applicable law, and to any security interest or pledge granted by a deceased owner, even if a surviving owner did not consent to it.

b. Control of Joint Account. Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer, or pledge to us all or any part of the shares without the consent of the other owner(s). We have no duty to notify any owner(s) about any transaction. We require written consent of the Member (Principal Owner) to terminate an Account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the Account and require a court order or written consent from all owners to act.

c. Joint Account Owner Liability. If a deposited item in a Joint Account is returned unpaid, an Account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any Account's owner is indebted to us, we may enforce

our rights to set-off against any account of an owner or all funds in the Joint Account regardless of who contributed them.

4. **Account for Minor.** An Account owned by a minor and his/her parent or legal guardian. Minor's Account will be governed by this Master Membership Agreement and the Agreement of Account Authorizing Minors. In the event of any conflict between the terms and conditions of the aforesaid agreements, the Agreement of Account Authorizing Minors will prevail.

5. **Deposit of Funds Requirements.** Funds may be deposited to any Account, in any manner approved by the Credit Union in accordance with the requirements set forth on the Rate and Fee Schedule.

a. **Endorsements.** We may accept transfers, checks, drafts, and other items for deposit into any of your Accounts if they are made payable to, or to the order of, one or more Account's owners even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check or draft item that is payable to two or more persons is ambiguous as to whether it is payable to either or both, we may process the check, draft or item as though it is payable to either person. If insurance, government, or any other check or draft requires an endorsement as set forth on the back of the check or draft, we may require endorsement as set forth on the check, draft or any other item. Endorsements must be made on the back of the share draft or check within 1 1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

b. **Collection of Items.** We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits made by mail or deposited at un-staffed facilities, shall not be deemed received until is physically received at any of the Credit Union staffed facilities and are not our

responsibility until we receive them as provided herein. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence.

c. Final Payment. All items or Automated Clearing House (ACH) transfers credited to your Account are provisional until we receive final payment. If final payment is not received, we may charge your Account for the amount of such items or ACH transfers and impose a returned item charge on your Account. Any collection fee we incur may be charged to your Account. We reserve the right to refuse or return any item or funds transfer.

d. Direct Deposits. We may offer preauthorized deposits (e.g. payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other Accounts. You must authorize each direct deposit or preauthorized transfer by filling-out a separate form. You must notify us at least [thirty (30) days] in advance to cancel or change a direct deposit or transfer option. Upon a bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your Account, we may deduct the amount returned from any of your Accounts, unless prohibited by law. In the event of any conflict between the terms and conditions of the Electronic Funds Transfer Agreement ("EFTA") and this Agreement, the EFTA will prevail.

e. Crediting of Deposits. Deposits made after the deposit cut-off time and deposits made on either holidays or days that are not Caribe Federal's business days will be credited to your Account on Caribe Federal next business day. The Fund Availability Policy Disclosure (which is part of this Agreement) will prevail in the crediting of deposit matter.

6. Account Access.

a. Authorized Signature. Your signature on the Account Card authorizes your Account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any draft that appears to bear your facsimile signature even if it was made by an unauthorized person.

b. Access Options. You may withdraw or transfer funds from your Account(s) in any manner we permit (e.g. at an automated teller machine, in person, by mail, automatic transfer, or telephone, as applicable). We may return as unpaid any draft drawn on a form we do not provide, and you are responsible for any loss we incur handling such a draft. We have the right to review and approve any form or power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney.

c. ACH & Wire Transfers. If we provide the service, you may initiate or receive credits or debits to your Account through wire transfer or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. We may provisionally credit your Account for an ACH transfer before we receive the final settlement. We may reverse the provisional credit or you will refund us the amount if we do not receive the final settlement. When you initiate a wire transfer, you may identify either the receiver or any financial institution by name and by Account or identifying number. The Credit Union (and other institutions) may rely on the Account or other identifying number as the proper identification even if it identifies a different party or institution.

d. Credit Union Examination. We may disregard information on any draft or check, other than the signature of the drawer, the amount and any magnetic encoding.

You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of other items not mentioned above.

7. **Account Dividends, Rates and Fees.** Dividends rates are computed using the daily balance method, which applies a daily periodic rate to the full amount of principal available in the Account each day. Dividends (i) are credited and compounded quarterly; (ii) are paid from current income and available earnings after required transfer to reserve have been made at the end of dividends period; and (iii) may vary at any time and are subject to the discretion of the Board of Directors. Accrued dividends will not be paid if the Account is closed prior to the time dividends would be credited.

In addition, fees shall be assessed against your Account as set forth in the Rate and Fee Schedule. We may change the Rates and Fee Schedule at any time and will notify you as required by law.

8. **Transaction Limitations.**

a. Withdrawal Restrictions. We permit withdrawals only if your Account has sufficient available funds to cover the full amount of the withdrawal or you have an established overdraft protection plan. Drafts or other transfer or payment orders which are drawn against insufficient funds may be subject to a service charge set forth in the Rate and Fee Schedule. If there are insufficient funds to cover some, but not all, of your withdrawal, we may allow those withdrawals for which there are sufficient funds in any order at our sole discretion.

We may refuse to allow a withdrawal in some situations, and will advise you accordingly; for example: (1) a dispute between Account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the Account secures any obligation to us; (4) required documentation has not been presented; (5) you fail to repay a Credit Union loan on time. We may require

you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

9. **Certificate Accounts.** Deposit Accounts held in term share, share certificate, or certificate of deposit. Any time deposit, term share, share certificate, or whichever is offered by the Credit Union from time to time, is subject to the terms of this Agreement and the specific terms and disclosures set forth on the Rate and Fee Schedule for each Account which is incorporated herein by reference. Any conflict between the terms and conditions of this Agreement and the specific terms and disclosures of any time deposit, term share and/or share certificates, the latter's specific terms and disclosures will prevail.

10. **Overdrafts.**

a. Overdraft Liability. If on any day, the funds in your share draft Account are not sufficient to cover drafts, fees or other items posted to your Account, those amounts will be handled in accordance with our overdraft procedures or an overdraft protection plan you have with us. The Credit Union's determination of an insufficient account balance in an Account may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the given required Account. We do not have to notify you if your Account does not have funds to cover drafts, fees or other posted items. Whether the item is paid or returned, your Account may be subject to a charge as set forth in the Rate and Fee Schedule. If we impose a fee that would otherwise overdraw your Account, you agree to pay the overdrawn amount immediately. We reserve the right to pursue collection of previously dishonored items at any time.

b. Overdraft Protection Plan. If we have approved an overdraft protection plan for your Account, we will honor drafts drawn on insufficient funds by transferring funds from another Account under this Agreement or a loan account, as you have directed, or as required under the Credit Union's overdraft protection policy for your Account. The fee for overdraft transfers, if any, is set forth on the Rate and Fee Schedule. This Agreement governs all transfers, except those governed by agreements for loan accounts. The

Overdraft Protection Plan consist on a Line of Credit, as requested by you and approved on your behalf by the credit union, based on the parameters required on our Loan Policy. If you exceed the limit of your line of credit, you will not be protected by this plan.

11. **Postdated and Expired Drafts.** We may pay any draft without regard to its date unless you notify us of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon the notice and must accurately describe the draft, including the exact number, date, and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. We are not responsible if you give us an incorrect or incomplete description, or untimely notice. We may, at our discretion, honor an oral postdating notice which lapses in fourteen (14) calendar days unless confirmed in writing. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit checks, drafts, or other items before they are properly payable. We are not obligated to pay any check or draft drawn on your Account which is presented more than six (6) months past its date.

12. **Stop Payment Orders.**

a. Stop Payment Order Request. You may request a stop payment order on any draft drawn on your Account. To be binding an order must be dated, signed, and describe the Account and draft number and the exact amount. We reserve the right to accept or not to accept oral stop payment orders. The stop payment will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and you state the number of the Account, number of the draft, and its exact amount. You understand that the exact information is necessary for the Credit Union's computer to identify the draft. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the draft. If the stop payment order is not received in on time for us to act upon the order, we will not be liable to you or to any other party for payment of the draft. If we recredit your account after paying a draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute

with the payee, to transfer to us all of your rights against the payee or other holders of the draft and to assist us in any legal action, at your cost.

b. Duration of Order. You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing within the six months period. We do not have to notify you when a stop payment order expires.

c. Liability. Fees for stop payment orders are set forth on the Rate and Fee Schedule. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, draft, or payment guaranteed by us. Although payment of an item may be stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any joint account owner, payee, or indorsee in failing to stop payment of an item as a result of incorrect information provided by you.

13. **Credit Union Liability.** If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction, except as otherwise provided by law. We will not be liable if (1) your Account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your Account funds are subject to legal process or other claim. We will not be liable for consequential damages, except liability for wrongful dishonor. We exercise ordinary care if our actions or non-actions are consistent with this Agreement, applicable Puerto Rico law, Federal Credit Union Act, National Credit Union Administration, federal reserve regulations and operating letters, clearinghouse rules, and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the Account and the terms

of this Account Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement.

14. **Credit union lien and security interest.** If you owe us money as a borrower, guarantor, and endorser or otherwise, we have a statutory lien on the account funds in any account in which you have an ownership interest, regardless of their source, unless prohibited by law. We may apply these funds, without further notice to you; in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the credit union a consensual security interest and a right of set-off in your accounts and we may use the funds from your accounts to pay any debt or amount now or hereafter owed to the credit union, except for obligations secured by your residence, unless prohibited by applicable law. All accounts are non-assignable and non-transferable to third parties.

15. **Legal Process.** If any legal action is brought against your Account, we may payout funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your Account without notice, unless prohibited by law. Any legal process against your Account is subject to our lien and security interest.

16. **Fair credit reporting act information.** Federal law requires us to notify our members that in case of default in your account we may furnish "negative information" to a consumer reporting agency. "negative information" means information concerning delinquencies, late payments, insolvency, or any form of default. This notice does not mean that we are at this time furnishing negative information to consumer reporting agencies.

17. **Notices.**

a. Name or Address Changes. You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may accept oral notices

of a change in address and may require any other notice from you to us be provided in writing. If we attempt to locate you, we may impose a service fee as set forth on the Rate and Fee Schedule.

b. Notice of Amendments. Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms, rates, or fees as required by law. We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

c. Effect of Notice. Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the US Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any Account owner is considered notice to all Account owners.

18. **Statement of Account.**

a. Contents. The Credit Union will mail you every trimester, to the latest known address, a Statement of Account for the immediate preceding trimester, not covered by any Statement of Account before said trimester. Notwithstanding the above, the Credit Union will mail the Statement of Account on a monthly basis on times when you perform electronic transactions. The mailing of Statements of Account will be through regular mail. Also, Statements of Account will be available through the Credit Union's on-line service. The Statement of Account will include (i) the previous balance, (ii) the deposits made during the period covered in the Statement of Account, (iii) withdrawals, debits and charges made to the Account, (iv) The new balance and (v) Dividends paid over the average daily balance, if any, and Annual Percentage Yield (APY) Earned. For share draft or checking accounts, you understand and agree that your original draft, when paid, becomes property of the Credit Union and may not be returned to you, but copies may be retained by us or payable through financial institutions and made available upon your request. The checking Account will be also subject to the check clearing for the 21st Century Act as specifically provided in this Agreement herein below.

Regulation DD: Periodic Statement Disclosures.

a. General rule. If a depository institution mails or delivers a periodic Statement of Account, the Statement of Account shall include the following disclosure:

1- Length of period, the total number of days in the Statement of Account period, or the beginning and ending dates of the period, fees, if any, average daily balance and Annual Percentage Yield (APY) Earned.

b. Examination. You are responsible for examining each Statement of Account and reporting any irregularities to us. In the absence of any written notice addressed to the Credit Union, objecting any charges, withdrawals, alleged deposited funds or deposits sixty (60) days from the date of the Statement of Account is mailed or is delivered in person to you, the Statement of Account will be considered correct and accepted by you, waiving to any right to object the same once the above mentioned period has elapsed.

19. **Abandoned Accounts.** If a deposit or withdrawal has not been made on the Account and we have had no other sufficient contact with you within the period specified by Puerto Rico law, the Account will be presumed to be abandoned. Funds in abandoned Accounts will be reported and remitted in accordance with Puerto Rico law. Once funds have been turned over to the Government of Puerto Rico, by means of the Puerto Rico Office of the Commissioner of Financial Institutions, we have no further liability to you for such funds and if you choose to reclaim such funds, you must apply to the Office of the Commissioner of Financial Institution of the Commonwealth of Puerto Rico or the appropriate governmental agency.

20. **Inactive Accounts.** If your Account does not reflect a deposit or withdrawal within a twelve (12) months period, the same will be charged as provided by the Rate and Fee Schedule. If we impose a fee, we will notify you at your last known address. You authorize us to transfer funds from another Account of yours to cover any service fees, if applicable.

21. **Termination of Account.** We may terminate your Account at any time without notice to you or may require you to close your Account and apply for a new account if (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your Account; (3) there is a dispute as to the ownership of the Account or of the funds in the Account; (4) any share drafts are lost or stolen; (5) there are excessive returned unpaid items not covered by an **overdraft protection plan**; (6) there has been any misrepresentation or any other abuse of any of your Accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a Single Party Account by giving written notice. We require written notice of the Member (Principal Owner) to terminate a Joint Account. We are not responsible for payment of any draft, withdrawal, or other item after your Account is terminated; however, if we pay an item after termination, you agree to reimburse the same to us.

22. **Termination of Membership.** You may terminate your membership by giving us written notice. You may be denied services or expelled for any reason allowed by applicable law and/or the Credit Union's Bylaws, including causing a loss to the Credit Union.

23. **Death of Account Owner.** We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an Account until we are notified of a member's death. Once we are notified of a member's death, we will freeze the Account to respond for any tax debt according to Section 3431 of the Puerto Rico Internal Revenue Code of 1994, as amended or as amended from time to time (the "Internal Revenue Act"), the dispositions of the Civil Code of Puerto Rico, and the regulations promulgated by the Secretary of Treasury of Puerto Rico, until the Credit Union receives evidence of the cancellation of such preferred lien and the proper documents required by law.

In the occurrence of the death of one of the Depositors of the Business Share Draft for individuals or for individuals doing business as, the surviving Depositor shall immediately notify us. We will codify the Business Share Draft Account and freeze the existing funds to prevent unauthorized transactions. The existing balance in the Account will remain subject

to the established dispositions of the Civil Code of Puerto Rico, to the Tax Law about Donations and Inheritance and the regulations promulgated by the Secretary of Treasury of Puerto Rico.

In the occurrence of the death of one of the authorized Depositors of a Business Share Draft Account for corporations and partnerships, the corporation or legal entity shall submit a special resolution to us to substitute the authorized subscriber deceased.

24. **Severability.** If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect. All headings are intended for reference only and are not to be construed as part of the Agreement.

25. **Enforcement.** You are liable to us for any loss, cost or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your Account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.

26. **Governing law.** This Agreement, validity and performance thereof is governed by (i) the Federal Credit Union Act; (ii) the Rules and Regulations adopted by the National Credit Union Administration; (iii) any other Federal Law applicable; (iv) the laws of the Commonwealth of Puerto Rico (in the issues which are applicable and not preempted by federal laws); (v) the Credit Union's Bylaws; (vi) the applicable principles of contract law; and (vii) the local clearinghouse rules, as amended from time to time. As permitted by applicable law, you agree that any legal action regarding this Agreement shall be brought in the courts located in San Juan, Puerto Rico.

Disclosures Pertaining to the Check Clearing for the 21st Century Act ("Check 21")

In compliance with Check 21 and the relevant provisions of Regulation CC, (**Availability of Funds and Collection of Checks**) which regulates check processing, the Credit Union provides the following disclosures about the terms and conditions applicable to substitute checks and the rights and responsibilities that you as Depositor have in relation to them:

Substitute Checks and Your Rights

1. **What is a substitute check?** To make check processing faster, federal law permits credit unions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from the Credit Union may be substitute checks. If you are a consumer with a consumer account, as such terms are defined in Check 21, this notice describes rights that you have when you receive substitute checks from the Credit Union. The rights in this notice do not apply to original checks or to electronic debits to your Account. Neither do they apply if you receive substitute check images from the Credit Union. However, you have rights under other provisions of this and/or other laws with respect to those transactions.

2. **What are your rights regarding substitute checks?** In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your Account (for example, if you think that the Credit Union withdrew the wrong amount from your Account or that the Credit Union withdrew money from your Account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your

Account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your Account is an interest-bearing Account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive the amount of the substitute check (up to a maximum of \$2,500, plus interest if your Account earns interest) within 10 business days after the Credit Union received your claim and the remainder of your refund (if the amount of the substitute check exceeds \$2,500, plus interest if your Account earns interest) not later than 45 calendar days after the Credit Union received your claim.

The Credit Union may reverse the refund (including any interest on the refund) if the Credit Union later is able to demonstrate that the substitute check was correctly posted to your Account.

The Credit Union could delay the availability of the funds credited to your Account on the tenth business day until the next business day after the Credit Union determined that the claim is valid or the 45th calendar day from the date the Credit Union received your claim under the following circumstances:

- If you open a new account and you are a new member.
- If you have repeatedly overdrawn the Account during the preceding six (6) months;
or
- If the Credit Union has reasonable cause to believe that the claim is fraudulent.

The Credit Union will send you a written explanation within the next business day following

the day the Credit Union concludes its investigation. You may ask the Credit Union for copies of the documents used in the investigation.

3. How do you make a claim for a refund?

You can make your claim by calling the Credit Union to the following number: (787)474-5147, or in writing to the following address: 195 O'Neill St. San Juan, P R 00918. You should make your claim within 40 calendar days or the later of these two dates:

1) The date that we delivered the account statement showing where the charge that you are disputing, or

2) The date on which we made the substitute checks available to you. If there is a good reason (such as hospitalization or a long trip) and you cannot make your claim by the required day, we will give you additional time. Your expedited refund claim must indicate:

- a. A description of why you think the charge to your account was incorrect;
- b. Estimate how much money you have lost as a consequence of the substitute check charge;
- c. An explanation of why the substitute check is not sufficient to show whether or not the charge to your account was correct;
- d. Provide us with a copy of the substitute check or give us information that will help us to identify the substitute check and investigate your claim (for example, the check number, the name of the person or company to whom you wrote the check, and the amount of the check).

Availability of Funds and Collection of Checks – (Regulation CC)

The following availability schedule is based upon the definitions and interpretations of the laws and regulations governing the holds on checks in your Account at Caribe Federal. The funds that the depositor (hereinafter “you” or “your”) deposit in your Account will be available in accordance with this policy. Until they are available, the Credit Union will not use the funds to pay checks that you have written.

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays. Deposits made during a regular business day, will be considered made on that day. The length of the delay varies depending on the type of deposit and is explained below.

<p>A business day is any day of the week except Saturday, Sunday, and Federal Holidays. A deposit made before 4:00 p.m. on a business day is considered deposited that day. A deposit made on a day we are closed, is considered deposited the next business day.</p>	
<p>When a deposit is made by...</p>	<p>Deposited Funds are available...</p>
<p>Cash</p>	<p>Same business day of the deposit</p>
<p>Electronic Payments (ACH)</p>	<p>Same business day of the deposit</p>
<p>Wire Transfers</p>	<p>Same business day of the deposit</p>
<p>U.S. Treasury Checks</p>	<p>Same business day of the deposit</p>
<p>Checks drawn against FED or FHLB and Postal Money Orders*</p>	<p>Same business day of the deposit</p>
<p>Checks from the Government of the Commonwealth of Puerto Rico and it’s Municipalities*</p>	<p>Same business day of the deposit</p>
<p>Certified Checks, Official Checks and Money Orders*</p>	<p>Same business day of the deposit</p>
<p>Local checks (US and Puerto Rico)</p>	<p>\$200 Next business day \$400 2nd business day Remaining Balance 4th business day</p>

*Payable to the member

Longer delays may apply:

Funds deposited by check may be delayed for a longer period due to the following circumstances:

- The account has had overdrafts in the last six months.
- There is a reason CFCU feels the check is uncollectible.
- Check deposits of more than \$5,000.
- A re-deposited check that has been returned unpaid.
- There is an emergency due to the failure of communications, computer equipment, natural disaster and social occurrences.
- The account is less than thirty (30) days old (defined as a new account).

Regardless of the above circumstances, the first \$200.00 of all deposits will be made available on the next business day after the day of deposit.

CFCU will notify the member if CFCU delays the member ability to withdraw funds for any of the above reasons, and the date when the funds will be available.

Deposits in excess of \$5,000:

The first \$5,000 will have the following availability:

- \$200 next business day
- \$400 second business day
- \$4,400 fourth business day
- Remaining balance fifth business day

Special Rules for New Accounts:

For the purposes of this policy and as defined by Regulation CC, a new account is a member's transaction account that has been in existence with CFCU for less than 30 days.

The following conditions apply during the first 30 days to transactions on accounts that meet the above definition:

- The first \$5,000 of a day's total deposits of cashier, certified, teller, traveler and federal and state checks will be made available the next business day after the day of deposit. The excess over \$5,000 will be made available on the seventh (7) business day after the day of deposit.
- Funds from all other check deposits will be available on the seventh (7) business day after the day of deposit or could be held up to thirty days.

Foreign checks will be held until funds are collected.

USA Patriot Act Notice

Federal regulations enacted pursuant to Section 326 of the USA PATRIOT Act, as amended, require all financial institutions to verify the identity of every person who seeks to open an account or become a signatory on an account with the institution after October 25, 2002. All persons are subject to the identity verification requirements even though they may be a long term member of and well known to the institution.

For the purpose of the regulation, an "Account" includes every formal credit union relationship that entails ongoing services, dealings or transactions. Some examples are a deposit Account or loan.

If you request to open an Account or become a signatory on an Account with Caribe Federal and Caribe Federal has not previously verified your identity under the new regulatory requirements, Caribe Federal will request documentary verification of your identity, such as a driver's license or passport and/or it will verify your identity through other no documentary methods. Similar identification requirements apply to business entities such as corporations and partnerships.

Caribe Federal may retain a copy of any document it relied on to verify your identity.

Electronic Funds Transfer Agreement and Disclosure

In compliance with the requirements of the Federal "Electronic Fund Transfers Law", and Regulation "E", promulgated there under, Caribe Federal discloses to you the terms and conditions applicable to the electronic transfer of funds.

I. Services available

A. Through Caribe Federal's Automated Teller Machines (ATMs), you can use your validated ATM's Card (as defined herein below) at any of our ATM's for the following purposes:

- (i) Withdrawals; and
- (ii) Balance verification

B. Through other financial institutions Automated Teller Machines (ATMs), you can use your validated ATM's Card (as defined herein below) for the following purposes:

- (i) Withdrawals; and
- (ii) Balance verification;

C. Pre-authorized Debit and Credit Transfers.

By means of the ATM you may have access to your Account through the use of the access instrument, the "Card". Before you can use this access instrument, it must be validated by the Credit Union.

II. Validation of the access instrument

This means you must select a “secret personal identification number” with which the access instrument is validated. Said “secret personal identification number” will be determined by you. If you receive an access card and you do not wish to use it, please destroy it by cutting it in half.

III. Limit on transfer amounts

At the ATM machines, cash withdrawals from your share draft or regular shares account will not exceed Five Hundred Dollars (\$500.00) for each business day. For purposes of this section, the effective date for transactions made through an ATM machine will be according to the following:

ATM Machines Located at our Branches. Transactions made after 2:30 pm or a non-business day will be processed the next business day. Withdrawals may be processed immediately.

Our off-premises ATM Machines - Transactions made on a non-business day or after the closing hour indicated in each ATM machine will be processed the next business day. Withdrawals may be processed immediately.

Other financial institutions ATM's - Transactions made on a non-business day or after the closing hour indicated in each ATM machine will be processed the next business day. Withdrawals may be processed immediately.

IV. Service charges

The Credit Union may collect fees for electronic fund transfers in accordance with the schedules that from time to time are adopted by the Credit Union.

Using your ATM Card in ATM machines that are not property of Caribe Federal may be subject to charges from the financial institution who administers said given ATM machines.

V. Right to receive documentation or verification referring to the transfers

Receipts - When using our ATM machines, you will receive a receipt of the transaction.

Other financial institutions ATM's – When using other financial institutions ATM's and/or Point of Sales(POS)terminals, you might not receive a receipt for transactions of \$15.00 or less.

Statement of Account - Monthly, in the case of a share draft, or monthly or quarterly when a deposit is made, in the case of regular share linked to the ATM service, or if you receive an Electronic direct deposit, you will receive a Statement of Account which will also reflect those transfers made by any means which affected your Account, which were effected during the period covered by the Statement of Account. The Statement of Account will be sent by regular mail or electronically to the last mailing or electronic address which appears in the records of the Credit Union. The Credit Union reserves the right to select both or one of the methods mentioned for sending statements.

VI. Your responsibility for unauthorized transfers, or for the theft of the secret personal identification number

If you believe that the Secret Personal Identification Number validated by the Credit Union has been misplaced, or has been stolen, or if you believe that said Secret Personal Identification Number and the available accesses have been used, or may be used by an unauthorized person to transfer funds from your Account, you must inform us immediately. The quickest way to advise us and thus reduce your possible loss is via telephone, fax or email at the numbers listed below. You may lose the total amount of the funds deposited in the Account as well as the amount of credit available under any credit Account affected.

If you notify us within two (2) business days from the date you become aware of the theft, loss or unauthorized use of the Secret Personal Identification Number, you will only be responsible up to the amount of Fifty Dollars (\$50.00) for the unauthorized use of the Secret Personal Identification Number. If you do not notify us of the theft or loss, of your Secret Personal Identification Number within the two (2) business days after the date you become aware of such theft or loss, and the Credit Union cannot prove that it would have been able to avoid any person from using the Secret Personal Identification Number without your authorization had it received your notification within the said two (2) business days, you may lose up to Five Hundred Dollars (\$500.00). If the Credit Union can prove

this, you may lose all of the funds deposited in the Account, as well as the available amount under any credit Account so affected.

Also, if the statements of your Account reflect transactions made by any means not authorized by you, you must notify us immediately. If you do not notify us within a period of sixty (60) days following the mailing of the Statement of Account in question, you will have no right to any reimbursement for such transfers or withdrawals of funds after the lapse of said sixty (60) day period, if the Credit Union can prove that it would have prevented any person from transferring the funds from your Account had it been so advised. If for any good cause, such as your being hospitalized, or being on a prolonged trip outside the country, you were prevented from notifying us on time, we will extend the periods indicated above.

VI. Notice of Errors

In case of Errors or Questions about your Statement of Account or regarding Electronic Fund Transfers; please follow these instructions:

If you think your Statement of Account or receipt is wrong, or if you need more information about a transaction on your statement or receipt, please call us or write to us at:

CARIBE FEDERAL CREDIT UNION

195 O'Neill Street

San Juan, PR 00918-2404

TEL. (787) 474-5151

Fax: (787) 474-5148

Email: info@caribefederal.com

Inform us:

- Your name and account number.
- Describe the error or the transfer you are unsure about, and explain why you believe it is an error or why you need more information.
- Inform us the dollar amount of the suspected error.

We must hear from you no later than sixty (60) days after we send you the Statement of Account on which the error or problem appeared. Tell us your name and account number, transaction date and transaction number, description of the claim or doubt, and the dollar of the alleged error.

1. Electronic Transfers

We will investigate your claim and will correct any error promptly. If we take more than ten (10) business days to do this, we will re-credit your Account for the amount you think is in error; so that you will have the use of the money during the time it takes us to complete the investigation.

We will inform you the results of our investigation within 10 days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question.

2. Credit Card Claim

You can telephone us to make your claim, but doing so will not preserve your rights; you must confirm in writing. You are still obligated to pay the parts of your bill that are not in question. While we investigate your claim, we cannot report you as delinquent or take any action to collect the amount you question.

The Finance Charge is computed by applying the Daily Periodic Rate to the Average Daily Unpaid Balance, which is determined by adding unpaid balances to all the days included within the billing period and dividing the total by the number of days in that period. The unpaid daily balance within each billing period is figured by adding to the final balance of the previous day any advances or debits and subtracting payments and credits made during the day.

3. Notice

Credit for deposited checks is provisional until payment of such checks is received.

In compliance with the requirements of the Federal "Electronic Fund Transfers Law", and Regulation "E", promulgated there under, Caribe Federal discloses to you the terms and conditions applicable to the electronic transfer of funds.

Lost or Stolen Cards

Inform us at once if your ATM card is lost or stolen. Telephoning is the best way of alerting us that someone may be using your ATM card without your permission. Call us at (787) 474-5151 from 7:15 am to 3:45 p.m. during business days [our business days are Monday through Saturday]. If telephoning is not possible, please write to Caribe Federal Credit Union at:

195 O'Neill Street

San Juan, PR 00918-2404

TEL. (787) 474-5151

Fax: (787) 474-5148

Email: info@caribefederal.com

Limits Electronic Transactions (Regulation D)

Regulation D (Reg D) is a federal law that limits the number of transfers and withdrawals that you can make from an interest bearing account (Regular Savings, Money Market, or Club Accounts) to a Checking Account or to a third party. According to Regulation D, you may not make more than six pre-authorized, automated, or telephone transfers/withdrawals from these accounts each month. The regulation was established to prevent consumers from using interest bearing accounts as transaction or checking accounts. Fees are typically applied to such transfers and withdrawals in order to discourage consumers from using interest bearing accounts as transaction accounts.

If you exceed these transfer/withdrawal limitations in any month, we may return the item unpaid. As a courtesy to our members, transfers/withdrawals attempted beyond your monthly limit will be honored if the funds are available.

Reg D Fees / Overdrafts

There may be fees associated with transfers from an interest bearing account to your Checking Account or to a third party. Caribe Federal allows six free transfers per interest bearing account each calendar month. After the first six transfers, you will be charged a Reg D fee as disclosed in the Fee Schedule.

The following transactions are subject to Reg D limitations:

- Transfers/withdrawals from an Regular Savings (interest bearing) account using Home/Internet Banking
- Overdraft transfers (made automatically to cover nonsufficient funds in other accounts)
- Transfers/withdrawals from a Regular Savings (interest bearing) account requested through our Call Center via telephone, email, or fax
- Pre-authorized, automatic, scheduled, or recurring transfers/withdrawals from an interest bearing account

What transactions are NOT affected by Regulation D?

There are no limits or fees associated with the following types of transactions:

- Transfers/withdrawals from an interest bearing account made at an ATM
- Transfers/withdrawals from an interest bearing account to make a loan payment
- Transfers/withdrawals from an interest bearing account made in person at a branch
- Transfers/withdrawals from an interest bearing account sent in by mail with an original signature
- Transfers from your Checking Account to an interest bearing account

If a deposit account used for Overdraft Protection has reached the Reg D limit, overdraft requests will be honored.

Electronic payments (which you may know as "ACH" or "EFT" transactions) are included in the Reg D limitations. Transfer and withdrawal attempts beyond your monthly limit will be honored if the funds are available. However, you will be subject to the fee disclosed in the Fee Schedule.

How can you Avoid Reg D Fees and Limitations?

Send your direct deposit to your Checking Account - not to your Savings Account. You can transfer money from your Checking Account to your Savings Account without limits or fees because Checking Accounts are not subject to Reg D.

If you think that you will need to transfer money from your Savings account to cover Checking Account transactions, plan ahead and make one large transfer instead of several small transfers. *Each transfer (made through the Virtual Branch, Telecaribe, or Caribe Online) counts as one transaction, regardless of the dollar amount transferred.*

You should not authorize merchants to draft money from your Savings Account. Use your Checking Account for these transfers. Automatic transfers from merchants should come out of your Checking Account instead of your Savings Account since Checking Accounts (non-interest bearing) are not subject to Reg D limitations.

Avoid Reg D fees by transferring funds from saving accounts to your Checking Account by using an ATM; by requesting the transfer in person at a branch; or by mailing your transfer request with a signature to the following address:

Caribe Federal Credit Union

Attn: Member Services

195 O'Neill Street

San Juan Puerto Rico 00918-2404

Overdraft Lines-of-Credit are not affected by Reg D so unlimited overdrafts may take place each month according to the interest rate and terms disclosed in your loan agreement. Balance your Checking Account on a regular basis. This will help limit the number of overdraft transfers from your savings account, which are subject to Reg D limitations.

Truth in Savings Rates and Fees Schedule

The Rates and Fees Schedule that applies to your Account may vary from time to time. These are incorporated in the Truth in Savings Rate and Fee Schedule that are included in this Agreement.

Privacy Notice

FACTS	WHAT DOES CARIBE FEDERAL CREDIT UNION WITH YOUR PERSONAL INFORMATION
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
WHAT?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none">• Social Security Number and income• Account balances and payment history• Credit history and credit score
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers personal information; the reasons Caribe Federal chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Caribe Federal share?	Can you limit this sharing?
For our everyday business purposes- Such as to process your transactions, maintain your account(s) respond to court orders and legal investigations or report to credit bureaus.	YES	NO

For our marketing purposes- To offer our products and services to you	YES	NO
For Joint marketing with other financial institutions	NO	NO
For our affiliates' everyday business purposes- Information about your transactions and experiences	YES	YES
For our affiliates' everyday business purposes- Information about your creditworthiness	YES	YES
For our affiliates to market to you	YES	YES
For non-affiliates to market to you	NO	We don't share

To limit our sharing?	Mail the form below Note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.
------------------------------	---

Questions?	Call 787-474-5147 or go to www.caribefederal.com
-------------------	---

✂-----

MAILING FORM

Mark any/all you want to limit:

Do not share information about my creditworthiness with your affiliates for their everyday business purposes.

Do not allow your affiliates to use my personal information to market me.

Name		Mail to: Caribe Federal Credit Union 195 O'Neill Street San Juan, PR 00918-2404
Address		
City, State		
Zip Code		
Account Number		

WHO WE ARE

Who is providing this notice?	Caribe Federal Credit Union
-------------------------------	-----------------------------

WHAT WE DO

How does Caribe Federal Credit Union protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Caribe Federal Credit Union collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> • Open an account or deposit money • Apply for a loan • Use your credit or debit card • Apply for insurance We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes-information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliated to market to you State laws and individual companies may give you additional rights to limit sharing.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.

DEFINITIONS

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Business Consortium Alliance (BCA) • Business Alliance Insurance Agency (BAIA)
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Caribe Federal Credit Union does not share information
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Caribe Federal Credit Union does not share information

IMPORTANT ADDITIONAL INFORMATION

<p>Caribe Federal Credit Union 195 O'Neill Street San Juan, PR 00918-2404 Phone: 787-474-5151 Fax: 787-474-5148 info@caribefederal.com</p>
--