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## BUSINESS SHARE DRAFT (CHECKING) ACCOUNT DISCLOSURE

This disclosure supplements your Business Membership Agreement and Disclosure, Business Account Agreement and other applicable disclosures. Please keep these documents together for your records.

### Terms and Conditions

The following terms and conditions governing your Share Draft (Checking) Account constitute a mutually protective service agreement between you and Travis Credit Union. The Business Membership Agreement and Disclosure and the Business Account Fee Schedule are included by reference. The words "You," "Your," and "Yours" mean each and all of those who sign an account signature card. The words "We," "Us," "Our," and "Credit Union" mean Travis Credit Union (TCU). Earnings credits will be paid only on collected funds. Refer to your Business Membership Agreement and Disclosure for additional terms and conditions.

Opening this account is conditioned on maintaining a business membership in the Credit Union.

**Monthly Service Fee** can be avoided under the following conditions:

**Free Business Checking:** FREE

**Better Business Dividend Checking:** FREE on accounts that maintain a \$5,000 daily balance in the checking account or a combined minimum daily balance of \$10,000 in checking, share, and/or money market accounts (combined balance does not include certificate accounts).

**Analyzed Business Account:** This account features an earnings credit which is applied to reduce or eliminate some of the fees on the account. If the earnings credits exceed the fees for any period, you will be assessed none of those fees, you will not be paid, carry forward or otherwise receive credit for any excess earnings credits. The earnings credit is applied against all standard TCU monthly Analyzed Business Checking transaction fees.

**Earnings Credit Calculation:** The earnings credit is calculated by applying the period earnings credit rate to the average daily collected balance in the account for the earnings credit period. Your average collected balance is calculated using your average ledger balance less the average uncollected balance. The periodic earnings credit rate is calculated by taking the previous month's average rate for the 91-day U.S. Treasury bill less 75 basis points. The periodic earnings credit rate can change monthly. The earnings credit is then calculated by multiplying the periodic earnings credit rate by the average collected balance, divided by 365, then multiplied by the number of days in the statement cycle. The average uncollected balance is that portion of the total deposit for which we have not been credited by the Federal Reserve or other clearinghouse.

## Monthly Transaction Activity Allowance

**Free Business Checking:** 200 cleared or deposited checks. Deposit up to \$3,000 in cash. Up to 25 individual deposits.

**Better Business Dividend Checking:** 200 cleared or deposited checks. Deposit up to \$3,000 in cash. Up to 25 individual deposits.

### Analyzed Business Checking

Per-item charges will apply regardless of balance requirements. Other fees may also apply. Please refer to our Business Account Fee Schedule.

Business transactions should only be processed through the Business Checking account. If a share account or a money market account is also used for processing transactions, the monthly transaction activity allowances will apply to the aggregate of transactions processed through all accounts in calculating per item charges for exceeding the allowance limits. Please refer to our Business Account Fee Schedule.

### Accounts with Zero Balances

If your checking account has a zero balance for 90 consecutive days, the account will be closed.

### Accounts with No Monetary Transactions for 365 Days

If you make no monetary transactions for 365 consecutive days, your account will be closed and the funds will be transferred to your share savings account.

### Dividend Information

No dividends will be paid on the Free Business Checking or the Analyzed Business Checking accounts.

On Better Business Dividend Checking, dividends will be paid each day your checking account balance is \$500 or more.

No dividends will be paid for any day your balance falls under \$500.

Dividends on Better Business Dividend Checking begin to accrue on the business day you make a deposit, regardless of whether the deposit is cash or non-cash, but do not accrue on the date of withdrawal for the amount of the withdrawal.

Dividends begin to accrue on the business day you make a deposit regardless of whether the deposit is cash or non-cash, but do not accrue on the date of withdrawal for the amount of the withdrawal.

Dividends are paid on a monthly basis on the last day of each month following the end of each dividend period. If you close your account before dividends are posted, we may credit any accrued dividends at the time you close your account.

Dividends are compounded monthly on a 365/365 basis, (366/366 basis during leap years) using the daily balance method. The dividend rate is divided by 365 days a year (366 days a year during leap years) to determine the daily periodic rate. The daily periodic rate is then calculated against the principal balance in the account each day.

At the Credit Union's discretion, we may change the dividend rate and applicable Annual Percentage Yield (APY) on your account at any time without prior notice. We advise members to periodically inquire at their branch or by calling 1-800-877-8328 or 707-449-4000 about current rates.

### **Annual Percentage Yield (APY)**

The Annual Percentage Yield (APY) is a percentage rate that measures the total amount of dividends paid on an account based on the dividend rate and the frequency of compounding for a 12-month period. If you withdraw dividends before this period, it may reduce your earnings.

### **Statement Cycles**

Active accounts receive monthly statements to enable you to reconcile your records. Monthly statements will not be sent on accounts for which there is no activity in a given month; however, all accounts will receive a statement at least quarterly. Statements are usually mailed during the first 10 business days of the month. If you would like a statement prior to the time one is normally furnished, you can request a printout of your account history. The charge for this special printout service is listed on the Business Account Fee Schedule.

### **Change in Terms**

The Credit Union reserves the right to change the terms and conditions of your account and this disclosure at any time, including the Business Account Fee Schedule. Unless otherwise stated, the changes will be effective immediately.

### **General Agreements**

1. You must open and maintain a business savings account.
2. The depositor(s) agrees to use the forms supplied by the credit union. The credit union reserves the right to return unpaid any other form of order presented or any form incompletely or defectively drawn.
3. All non-cash deposits are received and credited by the credit union subject to final collection. Please refer to our Funds Availability brochure.
4. The credit union may refuse to accept any deposit checks that appear to have been altered, that we believe are invalid, or nonnegotiable or that are not payable to the business.
5. We will make payments on current checks drawn on available funds in your checking account when signed by any person authorized on your business account application form or on supplemental credit union forms.
6. A post-dated check is a check dated later than the day it was actually presented for payment. 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 and a reasonable opportunity to act on it. A stale dated check is a check dated six months or more before the day it was actually presented for payment. We are under no obligation to pay a check on which the date is more than six (6) months old, but we may pay the check at our discretion. Except where the required notice is given, the account holder agrees not to hold the Credit Union liable for paying or denying payment of any postdated or stale dated checks.
7. Credit union bylaws permit the right to require 60 days written notice of your intention to withdraw or transfer shares.
8. The credit union reserves the right, at its sole discretion, to refuse to open a checking account or accept any further deposits to any existing checking account. The credit union also reserves the

right, at its sole discretion and upon prior notice to the depositor, to discontinue or limit the practice of allowing withdrawals by check, draft, or other negotiable order. Any such prior notice shall advise the depositor that the credit union reserves the right after the date specified in said notice not to make payment on any checking account check, draft, or other negotiable order drawn on such account. After the date specified, the credit union shall not be obliged to make any payment from such account, except for the purpose of closing such account.

9. The credit union is not required to honor any restrictive or conditional legend or endorsement on a check you write unless the credit union has agreed in writing, signed by an officer of the credit union to the restriction or condition. An example of a conditional legend is "pay upon completion of work." Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000."
10. Withdrawals can also be made through the Credit Union's Call-24 telephone audio response. Authorized account signers may make withdrawals by ATM Card at designated ATMs or authorized point-of-sale (POS) terminals, or with a Debit Card at designated ATMs, POS terminals or Visa® authorized merchant and by Call-24 telephone audio response.
11. You will not receive canceled checks with your statement, although all checks are retained electronically for seven (7) years. Copies of checks are available on request. If you need a copy of an original check, the credit union will furnish a free copy of the first two checks requested for each statement period. Copies of checks beyond the first two checks requested are subject to a fee. Please refer to the Business Account Fee Schedule for current fees.
12. You must notify the credit union of any changes made to the businesses ownership.

### **Authorized Signers**

Ownership of the account will be established by the most recent account signature card or other approved document(s) evidencing such accounts that we have on file for you. If ownership or the right to make withdrawals from your account becomes in dispute for any reason, the Credit Union, in its discretion, may refuse payment of the balance in the account until the dispute is settled.

### **Stop Payments**

Provided such request is timely so that we have a reasonable opportunity to act upon it and you have described the item or account with reasonable certainty, you can place a stop payment on any check drawn on your account before the check has been cleared for payment by notifying us. At your request and risk, the Credit Union will accept a stop payment order. If you notify us orally, you must follow up with a written request. If we do not receive the written request within 14 calendar days of the oral notification, the stop payment will lapse. To stop payment, complete a stop payment order form at a branch or mail a written, signed request. In order for us to effectively stop payment on a check, our computer system requires absolute accuracy. A discrepancy in any information could void the order.

We need to know: (1) your account number, (2) the exact amount, (3) check number(s), if applicable, (4) the name of the person who signed the check and (5) the name of the party to whom the check was made payable. A stop payment will not go into effect until the Credit Union verifies that the check or debit is still unpaid. The order remains in effect for one year and may be renewed for a fee at the end of that period. You may write the Credit Union to cancel a stop payment order at any time. The Credit Union will not accept responsibility so far as it may lawfully limit its liability for the consequences of the stop payment order. 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. For information on EFT stop payments, please refer to the Business Membership Agreement and Disclosure.

## **Overdrafts**

An Overdraft occurs when you do not have enough money in the “Available Balance” in your checking account at the time a transaction is presented to us for payment.

### **Overdraft Protection**

To help you avoid overdrafts, Travis Credit union offers Overdraft Protection for your checking account. If you have an open-end loan account (line-of-credit) or a Travis Credit Union Visa credit card in good standing with available credit and there are not sufficient funds in your checking account’s available balance to cover your checks or other authorized payments, these items will be considered to be requests for a loan advance from the loan account designated by you. Advances will be posted from your loan account to cover your overdraft in \$100 increments. If you have not designated a loan account or credit card, you can designate your savings account for overdraft protection. If designated, the money will be taken from your savings account to cover your checks or authorized payments in the lesser of \$100 or the available funds in your savings account.

If you don’t have Overdraft Protection, an Overdraft may be returned or, we may, at our option, elect to pay it pursuant to our Standard Overdraft Practices.

### **Standard Overdraft Practices**

If you qualify for Standard Overdraft Practices, then Travis Credit Union may, but is not obligated to pay overdrafts up to an assigned overdraft limit. If we pay an overdraft transaction, including a check, ACH payment, debit card payment that we have previously authorized, or any other electronic payment, then you will be assessed a Non-sufficient Funds (NSF) Overdraft Item Fee as provided in our Fee Schedule. If we reject a check or ACH payment transaction when it is presented to us, then you will be assessed a Non-sufficient Funds (NSF) Returned Item Fee as set forth on our Fee Schedule. You will be charged a NSF Returned item Fee or a NSF Overdraft Item Fee for checks and ACH payments each time they are presented for payment, even if they were previously rejected and you were previously charged a NSF Returned Item fee. You will not be charged any fees if a debit card payment is declined at the time you give your card to a merchant and the merchant asks us to authorize but we do not authorize the payment.

If you qualify, Standard Overdraft Practices for check, ACH, and recurring debit card transactions is available without any action on your part; it is a no-cost benefit that comes with your account. However, you must affirmatively opt in to Overdraft Practices for ATM and one-time/everyday debit card transactions. Should you opt in, you may opt out of Overdraft Practices for debit card payments and ATM withdrawals at any time.

Your checking account has two types of balances: the “Present Balance” and the “Available balance”. It is important to understand how the two balances are calculated and how they are used so that you know when you may be charged a NSF Returned Item or NSF Overdraft Item Fee. Your Present Balance is the full amount of all deposits into your account less transactions that have “posted” to (or have been paid from) your account. Your Available Balance is the amount of money in your account that is available for you to use without incurring a NSF Overdraft Item Fee. It is the Present Balance less holds placed on deposits and pending transactions that have been authorized but have not yet been presented to us for payment (such as pending debit card purchases that have been authorized at the point of sale, but have not been sent to us for payment by the merchant). We use your Available

Balance to determine whether to authorize payments and whether to assess a NSF Returned Item Fee or a NSF Overdraft Item Fee when transactions are posted to (paid from) your account. The following is an example of how this works:

Assume you have \$200 in your Present Balance and your Available Balance and you have *opted in* to Overdraft Practices for debit cards. Further assume you use your debit card to buy a shirt for \$100, in which case the merchant will typically ask us to authorize the payment. If we do, then we will reduce your Available Balance to \$100 because we are now required to pay the \$100 for the shirt when the transaction is presented to us (usually a few days later) through the merchant's card network. Before the merchant sends the shirt payment to us, a check you have written for \$200 is presented for payment. Because you have only have \$100 in your Available Balance, we may reject the check (in which case you will be charged a NSF Returned Item Fee) or we may pay it with Overdraft Practices (in which case you will be charged a NSF Overdraft Item Fee). The \$200 check payment is an overdraft because your Available Balance is insufficient at \$100 even though your Present Balance is still \$200. Later, when the shirt payment is presented to us through the merchant's card network, we are required to pay it, but your Available Balance is now -\$100 due to the check we paid. You will be charged a NSF Overdraft Item Fee on the shirt payment too, even though you had enough Available Balance at the time the payment was authorized. There is a six-per-day limit on charging the \$29 fee for overdrawing the available balance in your account. The fee is not charged when you overdraw your available balance by \$30.00 or less.

To help you manage your account and avoid NSF Overdraft Item Fees and NSF Returned Item Fees, you can see your Available Balance and Present Balance at ATMs, or in Travis Credit Union Online Banking or Mobile Banking. We also provide you with a summary of NSF Overdraft Item Fees and NSF Returned Item Fees on your monthly account statements for the current period and year-to-date.

**This credit union is federally insured by the National Credit Union Administration**