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UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

PAUL BARRERA and ANGELA BOVO, on  
behalf of themselves and all others similarly  
situated,

Plaintiffs,

v.

BOEING EMPLOYEES CREDIT UNION,

Defendant.

NO.

**CLASS ACTION COMPLAINT**

**JURY DEMAND**

**CLASS ACTION COMPLAINT**

Plaintiffs, Paul Barrera and Angela Bovo, individually and on behalf of the classes of persons preliminarily defined below, make the following allegations based upon information and belief, except as to allegations specifically pertaining to Plaintiffs, which are based on personal knowledge.

**NATURE OF THE ACTION**

1. Plaintiffs bring this action on behalf of themselves and classes of all similarly situated consumers against Defendant, Boeing Employees Credit Union (“BECU”), arising from its routine practices of (a) assessing Overdraft Fees (“OD Fees”) on transactions that did not

1 actually overdraw checking accounts; and (b) charging two or more Non-Sufficient Funds Fees  
2 (“NSF Fee”) on a single transaction.

3 2. BECU misleadingly and deceptively misrepresents each of the above practices,  
4 including in its own account contracts. BECU also omits material facts pertaining to each of the  
5 above practices, including in its account contracts.

6 3. This is a civil action seeking monetary damages, restitution, and declaratory and  
7 injunctive relief.

8 4. As described herein, Defendant’s practices violate Washington statutory and  
9 common law, as well as the Defendant’s own form contracts.

10 5. Defendant’s improper scheme to extract funds from account holders has  
11 victimized Plaintiffs and hundreds of other similarly situated consumers. Unless enjoined,  
12 Defendant will continue to engage in these schemes and will continue to cause substantial injury  
13 to its consumers.

14 **PARTIES**

15 6. Plaintiff Paul Barrera is an individual and resident of Shoreline, Washington.

16 7. Plaintiff Angela Bovo is an individual and resident of Sammamish, Washington.

17 8. Defendant, Boeing Employees Credit Union, is a Washington credit union and  
18 one of the nation’s largest credit unions. It has over \$20 billion in assets and maintains several  
19 branches throughout Washington.

20 **JURISDICTION AND VENUE**

21 9. This Court has original jurisdiction of this action under the Class Action Fairness  
22 Act of 2005. Pursuant to 28 U.S.C. §§ 1332(d)(2) and (6), this Court has original jurisdiction  
23 because the aggregate claims of the putative class members exceed \$5 million, exclusive of  
24

1 interest and costs, and at least one of the members of the proposed class is a citizen of a different  
2 state than the Defendant.

3 10. Venue is proper in this district pursuant to 28 U.S.C. §1391 because Defendant is  
4 subject to personal jurisdiction here and conducts business in Washington and because a  
5 substantial part of the events or omission giving rise to the claims asserted herein occurred in this  
6 district.

7 **BACKGROUND FACTS**

8  
9 **I. BECU Charges OD Fees on Transactions that Do Not Actually Overdraw the Account**

10 **A. Overview of Claim**

11 11. Plaintiff Bovo brings this action challenging BECU’s practice of charging OD  
12 Fees on what is referred to in this complaint as “Authorize Positive, Purportedly Settle Negative  
13 Transactions,” or “APPSN Transactions.”

14 12. Here’s how it works. At the moment debit card transactions are authorized on an  
15 account with positive funds to cover the transaction, BECU immediately reduces consumers’  
16 checking accounts for the amount of the purchase, sets aside funds in a checking account to cover  
17 that transaction, and as a result, the consumer’s displayed “available balance” reflects that  
18 subtracted amount. As a result, customers’ accounts will always have sufficient funds available  
19 to cover these transactions because BECU has already sequestered these funds for payment.

20 13. However, BECU still assesses crippling \$25 OD Fees on many of these  
21 transactions and misrepresents its practices in its account documents.

22 14. Despite putting aside sufficient available funds for debit card transactions at the  
23 time those transactions are authorized, BECU later assesses OD Fees on those same transactions  
24

1 when they purportedly settle days later into a negative balance. These types of transactions are  
2 APPSN Transactions.

3 15. BECU maintains a running account balance in real time, tracking funds  
4 consumers have for immediate use. This running account balance is adjusted, in real-time, to  
5 account for debit card transactions at the precise instance they are made. When a customer makes  
6 a purchase with a debit card, BECU sequesters the funds needed to pay the transaction,  
7 subtracting the dollar amount of the transaction from the customer's available balance. Such  
8 funds are not available for any other use by the account holder and such funds are specifically  
9 associated with a given debit card transaction.

10 16. Indeed, the entire purpose of the immediate debit and hold of positive funds is to  
11 ensure that there are enough funds in the account to pay the transaction when it settles:

12 When a consumer uses a debit card to make a purchase, a hold may be placed on  
13 funds in the consumer's account to ensure that the consumer has sufficient funds  
14 in the account when the transaction is presented for settlement. This is commonly  
15 referred to as a "debit hold." During the time the debit hold remains in place,  
16 which may be up to three days after authorization, those funds may be unavailable  
17 for the consumer's use for other transactions.

18 Federal Reserve Board, Office of Thrift Supervision, and National Credit Union Administration,  
19 Unfair or Deceptive Acts or Practices, 74 FR 5498 (Jan. 29, 2009).

20 17. That means when any *subsequent*, intervening transactions are initiated on a  
21 checking account, they are compared against an account balance that has already been reduced  
22 to account for any earlier debit card transactions. This means that many subsequent transactions  
23 incur OD Fees due to the unavailability of the funds sequestered for those debit card transactions.

24 18. Still, despite *always* reserving sufficient available funds to cover the transactions  
and keeping the held funds off-limits for other transactions, BECU improperly charges OD Fees  
on APPSN Transactions.

1 19. The Consumer Financial Protection Bureau (“CFPB”) has expressed concern with  
2 this very issue, flatly calling the practice “unfair” and/or “deceptive” when:

3 [A] financial institution authorized an electronic transaction, which reduced a  
4 customer’s available balance but did not result in an overdraft at the time of  
5 authorization; settlement of a subsequent unrelated transaction that further  
6 lowered the customer’s available balance and pushed the account into overdraft  
7 status; and when the original electronic transaction was later presented for  
8 settlement, because of the intervening transaction and overdraft fee, the electronic  
9 transaction also posted as an overdraft and an additional overdraft fee was  
10 charged. Because such fees caused harm to consumers, one or more supervised  
11 entities were found to have acted unfairly when they charged fees in the manner  
12 described above. Consumers likely had no reason to anticipate this practice, which  
13 was not appropriately disclosed. They therefore could not reasonably avoid  
14 incurring the overdraft fees charged. Consistent with the deception findings  
15 summarized above, examiners found that the failure to properly disclose the  
16 practice of charging overdraft fees in these circumstances was deceptive.

17 At one or more institutions, examiners found deceptive practices relating to the  
18 disclosure of overdraft processing logic for electronic transactions. Examiners  
19 noted that these disclosures created a misimpression that the institutions would  
20 not charge an overdraft fee with respect to an electronic transaction if the  
21 authorization of the transaction did not push the customer’s available balance into  
22 overdraft status. But the institutions assessed overdraft fees for electronic  
23 transactions in a manner inconsistent with the overall net impression created by  
24 the disclosures. Examiners therefore concluded that the disclosures were  
misleading or likely to mislead, and because such misimpressions could be  
material to a reasonable consumer’s decision-making and actions, examiners  
found the practice to be deceptive. Furthermore, because consumers were  
substantially injured or likely to be so injured by overdraft fees assessed contrary  
to the overall net impression created by the disclosures (in a manner not  
outweighed by countervailing benefits to consumers or competition), and because  
consumers could not reasonably avoid the fees (given the misimpressions created  
by the disclosures), the practice of assessing the fees under these circumstances  
was found to be unfair.

Consumer Financial Protection Bureau, “Supervisory Highlights” (Winter 2015).

20 20. There is no justification for these practices, other than to maximize BECU’s OD  
21 Fee revenue. APPSN Transactions only exist because intervening checking account transactions  
22 supposedly reduce an account balance. But BECU is free to protect its interests and either reject  
23 those intervening transactions or charge OD Fees on those intervening transactions—and it does  
24

1 the latter to the tune of millions of dollars each year. But BECU was not content with these  
2 millions in OD Fees. Instead, it sought millions *more* in OD Fees on these APPSN Transactions.

3 21. Besides being deceptive, unfair, and unconscionable, these practices breach  
4 contract promises made in BECU's adhesion contracts, which fundamentally misconstrue and  
5 mislead consumers about the true nature of BECU's processes and practices. BECU also exploits  
6 its contractual discretion by implementing these practices to gouge its customers.

7 22. In plain, clear, and simple language, the checking account contract documents  
8 covering OD Fees promise that BECU will only charge OD Fees on transactions that have  
9 insufficient funds to cover those transactions.

10 23. In short, BECU is not authorized by contract to charge OD Fees on transactions  
11 that have not overdrawn an account, but it has done so and continues to do so.

12 **B. Mechanics of a Debit Card Transaction**

13 24. A debit card transaction occurs in two parts. First, authorization for the purchase  
14 amount is instantaneously obtained by the merchant from BECU. When a merchant or customer  
15 physically or virtually "swipes" a customer's debit card, the credit card terminal connects, via an  
16 intermediary, to BECU, which verifies that the customer's account is valid and that sufficient  
17 available funds exist to cover the transaction amount.

18 25. At this step, if the transaction is approved, BECU immediately decrements the  
19 funds in a consumer's account and sequesters funds in the amount of the transaction but does not  
20 yet transfer the funds to the merchant.

21 26. Sometime thereafter, the funds are actually transferred from the customer's  
22 account to the merchant's account.

1           27.     BECU (like all banks and credit unions) decides whether to “pay” debit card  
2 transactions at authorization. After that, BECU is obligated to pay the transaction no matter what.  
3 For debit card transactions, that moment of decision can only occur at the point of sale, when the  
4 transaction is authorized or declined. It is at that point—and only that point—when BECU may  
5 choose to either pay the transaction or to decline it. When the time comes to actually transfer  
6 funds for the transaction to the merchant, it is too late for the credit union to deny payment—the  
7 bank has no discretion and must pay the charge. This “must pay” rule applies industry wide and  
8 requires that, once a financial institution authorizes a debit card transaction, it “must pay” it when  
9 the merchant later makes a demand, regardless of other account activity. *See* Electronic Fund  
10 Transfers, 74 Fed. Reg. 59033-01, 59046 (Nov. 17, 2009).

11           28.     There is no change—no impact whatsoever—to the available funds in an account  
12 when this step occurs.

13           **C.     BECU’s Account Contract**

14           29.     Plaintiffs have BECU checking accounts, which are currently governed by  
15 BECU’s standardized “Account Agreements” document (“Deposit Agreement”). Ex. A.

16           30.     The Deposit Agreement and relevant contract documents covering OD Fees  
17 provide that BECU will not charge OD Fees on transactions that have sufficient funds to cover  
18 them at the time they are initiated.

19           31.     BECU promises that “available” funds is the balance used to determine  
20 overdrafts. BECU also promises that overdrafts are determined at the moment it decides to  
21 “permit” a transaction and when it “authorizes and pays” a debit card transaction:

22                   **Withdrawal Restrictions We are required to permit a withdrawal, honor any**  
23                   **item, complete a POS transfer, or pay any other EFT, or ATM/bit**  
24                   **transaction only if you have sufficient available funds in your Account to**  
                      **cover the full amount of the transaction or you have funds available to cover**

1 **the transaction** as described in the “Overdrafts” section. **In our sole discretion,**  
2 **we may honor any item, in which case you agree to pay the NSF fee set forth**  
3 **in the Consumer Account Disclosure, regardless of whether we decide to pay**  
4 **or dishonor the item.** If there are sufficient available funds to cover some but not  
all of your withdrawal orders or items, we may allow those withdrawals for which  
there are sufficient available funds in any order.

5 [...]

6 If you maintain your Checking Account in good standing and are not in default or  
delinquent on any BECU account, . . . [A]s a courtesy and only after we receive  
7 and confirm your prior consent, **we may authorize and pay everyday debit card**  
8 **POS transactions that will overdraw your account (when you use your debit**  
9 **card for payment).** If you choose to opt out of this service you are responsible  
for any overdrawn balances at the time of opting out. . . . Even though we may  
10 have previously authorized and paid transactions that overdraw your account, at  
our own discretion we may decline such transactions at any time. You may be  
11 notified of any authorized and paid transaction that causes your account to become  
overdrawn. Additionally, you may be notified of transactions declined when there  
12 are not sufficient funds in your account. But we have no obligation to notify you  
before we authorize and pay or decline any transaction. The overdrawn amount in  
your account plus any overdraft fee(s) (as disclosed in the Consumer Account  
Disclosure) are due and payable upon demand.

13 (emphasis added).

14 32. For APPSN Transactions, which are immediately deducted from a positive  
15 account balance and held aside for payment of that same transaction, there are always funds to  
16 “cover” those transactions—yet BECU assesses OD Fees on them anyway.

17 33. The above promises indicate that transactions are only overdraft transactions  
18 when they are authorized and approved into a negative account balance. Of course, that is not  
19 true for APPSN Transactions.

20 34. In fact, BECU actually authorizes transactions on positive funds, sets those funds  
21 aside on hold, then fails to use those same funds to post those same transactions. Instead, it uses  
22 a secret posting process described below.



1           35.     The above representations and contractual promises are untrue. In fact, BECU  
2 charges OD Fees even when sufficient funds exist to cover transactions that are authorized into  
3 a positive balance. No express language in any document states that BECU may impose OD Fees  
4 on any APPSN Transactions.

5           36.     The account documents also misconstrue BECU’s true debit card processing and  
6 overdraft practices.

7           37.     First, and most fundamentally, BECU charges OD Fees on debit card transactions  
8 for which there are sufficient funds available to “use” to cover the transactions.

9           38.     BECU assesses OD Fees on APPSN Transactions that *do* have sufficient funds  
10 available to “cover” them throughout their lifecycle.

11           39.     BECU’s practice of charging OD Fees even when sufficient available funds exist  
12 to cover a transaction violates its contractual promise not to do so. This discrepancy between  
13 BECU’s actual practice and the contract causes consumers like Plaintiff to incur more OD Fees  
14 than they should.

15           40.     Next, sufficient funds for APPSN Transactions are actually debited from the  
16 account immediately, consistent with standard industry practice.

17           41.     Because these withdrawals take place upon initiation, the funds cannot be re-  
18 debited later. But that is what BECU does when it re-debits the account during a secret batch  
19 posting process.

20           42.     In reality, BECU’s actual practice is to assay the same debit card transaction twice  
21 to determine if the transaction overdraws an account—both at the time a transaction is authorized  
22 and later at the time of settlement.

1           43.     At the time of settlement, however, an available balance *does not change at all*  
2 for these transactions previously authorized into good funds. As such, BECU cannot then charge  
3 an OD Fee on such transaction because the available balance has not been rendered insufficient  
4 due to the pseudo-event of settlement.

5           44.     Upon information and belief, something more is going on: at the moment a debit  
6 card transaction is getting ready to settle, BECU does something new and unexpected, during the  
7 middle of the night, during its nightly batch posting process. Specifically, BECU releases the  
8 hold placed on funds for the transaction for a split second, putting money back into the account,  
9 then re-debits the same transaction a second time.

10          45.     This secret step allows it to charge OD Fees on transactions that never should  
11 have gotten them—transactions that were authorized into sufficient funds, and for which BECU  
12 specifically set aside money to pay them.

13          46.     This discrepancy between BECU's actual practices and its contract's  
14 representations causes consumers to incur more OD Fees than they should.

15          47.     In sum, there is a huge gap between BECU's practices as described in the account  
16 documents and BECU's actual practices.

17           **D.     BECU Abuses Contractual Discretion**

18          48.     BECU's treatment of debit card transactions to charge OD Fees is not simply a  
19 breach of the express terms of the numerous account documents. In addition, BECU exploits  
20 contractual discretion to the detriment of account holders when it uses these policies.

21          49.     The term "to cover" a transaction is not defined in the account documents. BECU  
22 uses its discretion to define "to cover" in a manner contrary to any reasonable, common sense  
23 understanding of that term. In BECU's implied definition, a balance is insufficient to "cover" a  
24

1 transaction even if BECU sequesters sufficient available funds for that transaction at the time it  
2 is made.

3 50. Moreover, BECU uses its contractual discretion to cause APPSN Transactions to  
4 incur OD Fees by knowingly authorizing later transactions that it allows to consume available  
5 funds previously sequestered for APPSN Transactions.

6 51. BECU uses all of these contractual discretion points unfairly to extract OD Fees  
7 on transactions that no reasonable consumer would believe could cause OD Fees.

8 **E. Reasonable Consumers Understand Debit Card Transactions Are Debited**  
9 **Immediately**

10 52. The assessment of OD Fees on APPSN Transactions is fundamentally  
11 inconsistent with immediate withdrawal of funds for debit card transactions. That is because if  
12 funds are immediately debited, they cannot be depleted by intervening transactions (and it is that  
13 subsequent depletion that is the necessary condition of APPSN Transactions). If funds are  
14 immediately debited, then, they are necessarily applied to the debit card transactions for which  
15 they are debited.

16 53. BECU was and is aware that this is precisely how account holders reasonably  
17 understand debit card transactions to work.

18 54. BECU knows that many consumers prefer debit cards for these very reasons.  
19 Consumer research indicates that consumers prefer debit cards as a budgeting device because  
20 they don't allow debt like credit cards do and because the money comes directly out of a checking  
21 account.

22 55. Consumer Action, a national nonprofit consumer education and advocacy  
23 organization advises consumers determining whether they should use a debit card that “[t]here is  
24 no grace period on debit card purchases the way there is on credit card purchases; the money is

1 immediately deducted from your checking account. Also, when you use a debit card you lose the  
2 one or two days of ‘float’ time that a check usually takes to clear.” *What Do I Need to Know*  
3 *About Using a Debit Card?*, ConsumerAction (Jan. 14, 2019), [https://www.consumer-](https://www.consumer-action.org/helpdesk/articles/what_do_i_need_to_know_about_using_a_debit_card)  
4 [action.org/helpdesk/articles/what\\_do\\_i\\_need\\_to\\_know\\_about\\_using\\_a\\_debit\\_card](https://www.consumer-action.org/helpdesk/articles/what_do_i_need_to_know_about_using_a_debit_card).

5 56. Further, Consumer Action informs consumers that “Debit cards offer the  
6 convenience of paying with plastic without the risk of overspending. When you use a debit card,  
7 you do not get a monthly bill. You also avoid the finance charges and debt that can come with a  
8 credit card if not paid off in full.” *Understanding Debit Cards*, ConsumerAction,  
9 [http://www.consumer-action.org/english/articles/understanding\\_debit\\_cards](http://www.consumer-action.org/english/articles/understanding_debit_cards) (last visited July  
10 16, 2019).

11 57. This understanding is a large part of the reason that debit cards have risen in  
12 popularity. The number of terminals that accept debit cards in the United States has increased by  
13 approximately 1.4 million in the last five years, and with that increasing ubiquity, consumers  
14 have viewed debit cards (along with credit cards) “as a more convenient option than refilling  
15 their wallets with cash from an ATM.” Maria LaMagna, *Debit Cards Gaining on Case for*  
16 *Smallest Purchases*, MarketWatch (Mar. 23, 2016), [http://www.marketwatch.com/story/more-](http://www.marketwatch.com/story/more-people-are-using-debit-cards-to-buy-a-pack-of-gum-2016-03-23)  
17 [people-are-using-debit-cards-to-buy-a-pack-of-gum-2016-03-23](http://www.marketwatch.com/story/more-people-are-using-debit-cards-to-buy-a-pack-of-gum-2016-03-23).

18 58. Not only have consumers increasingly substituted debit cards for cash, but they  
19 believe that a debit card purchase is the fundamental equivalent of a cash purchase, with the  
20 swipe of a card equating to handing over cash, permanently and irreversibly.

21 59. BECU was aware of the consumer perception that debit transactions reduce an  
22 available balance *at a specified time and in a specified order*—namely, the moment they are  
23 actually initiated—and BECU’s account agreement only supports this perception.  
24

1       **F.       Plaintiff Bovo's Debit Card Transactions**

2           60.     As an example, Plaintiff Bovo's account was assessed two \$25 OD Fees on debit  
3 card transactions on February 6, 2015 for transactions that settled that day. However, those  
4 transactions were authorized into a *positive* account balance prior to that date.

5           61.     Because BECU had previously sequestered the funds to cover that transaction,  
6 Plaintiff Bovo's account had sufficient funds to cover the transaction.

7       **II.       BECU CHARGES TWO OR MORE NSF FEES ON THE SAME ITEM**

8           62.     As alleged more fully herein, BECU's account documents allow it to take certain  
9 steps when an account holder attempts a transaction but does not have sufficient funds to cover  
10 it. Specifically, BECU may (a) authorize the transaction and charge a *single* \$25 OD Fee; or (b)  
11 reject the transaction and charge a *single* \$25 NSF Fee.

12           63.     In contrast to its account documents, however, BECU regularly assesses two or  
13 more NSF Fees on the *same* item or transaction.

14           64.     This abusive practice is not universal in the financial services industry. Indeed,  
15 major banks like Chase—the largest consumer bank in the country—do not undertake the  
16 practice of charging more than one NSF Fee on the same item when it is reprocessed. Instead,  
17 Chase charges one NSF Fee even if a transaction is resubmitted for payment multiple times.

18           65.     BECU's account documents never disclose this practice. To the contrary, BECU's  
19 account documents indicate it will only charge a single NSF Fee on an item or per transaction.

20       **A.       Plaintiff Barrera's Experience**

21           66.     In support of his claims, Plaintiff Barrera offers an example of NSF Fees that  
22 should not have been assessed against his checking accounts. As alleged below, BECU: (a)  
23  
24

1 reprocessed a previously declined a transaction; and (b) charged a fee to reprocess the transaction,  
2 which Plaintiff Berrera never requested.

3 67. On July 28, 2017, Plaintiff Barrera attempted an ACH payment to Paypal.

4 68. BECU rejected payment of that transaction due to insufficient funds in Plaintiff  
5 Barrera's account and charged him a \$25 NSF Fee for doing so. Plaintiff does not dispute the  
6 initial fee, as it is allowed by BECU's account documents.

7 69. On August 3, 2017, unbeknownst to Plaintiff Barrera and without his request to  
8 BECU to retry the transaction, BECU processed the same transaction yet again and called it a  
9 "RETRY PYMT" on the bank statement. Again BECU rejected the transaction due to insufficient  
10 funds and charged Plaintiff Barrera *another* \$25 NSF Fee.

11 70. *In sum, BECU charged Plaintiff Barrera \$50 in fees to attempt to process a single*  
12 *electronic payment.*

13 71. Plaintiff Barrera understood the payment to be a single transaction as is laid out  
14 in the BECU contract, capable at most of receiving a single NSF Fee (if BECU returned it) or a  
15 single OD Fee (if BECU paid it).

16 **B. The Imposition of Multiple NSF Fees on a Single Transaction Violates BECU's**  
17 **Express Promises and Representations**

18 72. The Deposit Agreement provides the general terms of Plaintiffs' relationship with  
19 the BECU, and BECU makes explicit promises and representations therein regarding how  
20 transactions will be processed, as well as when NSF Fees and OD Fees may be assessed.

21 73. The Deposit Agreement contains explicit terms indicating that NSF Fees will only  
22 be assessed once per transaction or item, when in fact BECU regularly charges two or more NSF  
23 Fees per transaction or item even though a customer only requested the payment or transfer once.  
24

1 74. BECU's account documents indicate that a singular NSF Fee can be assessed on  
2 checks, ACH debits, and electronic payments.

3 75. BECU's account documents state that it will charge \$25 per item or transaction  
4 that is returned due to insufficient funds.

5 76. According to the BECU Consumer Account Disclosure ("Fee Schedule"):

6 **As a not-for-profit credit union we are committed to offering fewer-to-no fees.**

7 ...

8 Non-Sufficient Funds (NSF) Fees[] NSF Fee \$25.00 per transaction for which the  
9 available balance is not sufficient for checks and/or ACH payments; fee will be  
charged if check and/or ACH payment is paid or returned unpaid.

10 Ex. B, at 2 (Fee Schedule).

11 77. The Fee Schedule states that a *single* fee will be assessed on "checks and/or ACH  
12 payments."

13 78. Further, the Fee Schedule makes clear that, for all transaction types (whether debit  
14 card, check, ACH, or other transaction), only a single NSF Fee or OD Fee can be charged. Indeed,  
15 more than one OD Fee is impossible for transactions like debit card transactions, which can only  
16 possibly be paid or rejected one time. Using language identical to the language its uses to describe  
17 NSF Fees, BECU's Fee Schedule states:

18 Overdraft \* \$25.00 per debit card transaction for which the available balance is  
19 not sufficient and the transaction is paid (Optional Courtesy Pay Overdraft Service  
for Debit Transactions Opt-In required before Overdraft fee will be charged).

20 Ex. B at 2.

21 79. In short, most of the transactions and fee types covered by the Fee Schedule can  
22 only occur once, and there is no warning that a certain type of transaction or fee can happen more  
23 than once.

1 80. Further, the Deposit Agreement repeatedly states that at most a single NSF Fee  
 2 may be assessed on transactions:

3 We will process debit and credit Automatic Clearing House (“ACH”) transactions  
 4 throughout the day, in the order they are received in our processing center.  
 5 Therefore, if an Account withdrawal or debit transaction is processed in the  
 6 morning and it exceeds your available Account balance at that time, **you may be**  
 7 **charged a non-sufficient funds (NSF) fee**, even if a deposit or credit transaction  
 8 occurring later that day raises your available balance above \$0.00. We may  
 9 receive multiple credit or debit transactions on your Accounts in many different  
 10 forms throughout each day. The best way to know how much money you have  
 11 available to spend, and to avoid paying NSF fees, is to record and track all your  
 12 transactions closely.

13 ...

14 Withdrawal Restrictions We are required to permit a withdrawal, honor any item,  
 15 complete a POS transfer, or pay any other EFT, or ATM/bit transaction only if you have  
 16 sufficient available funds in your Account to cover the full amount of the transaction or  
 17 you have funds available to cover the transaction as described in the “Overdrafts” section.  
 18 **In our sole discretion, we may honor any item, in which case you agree to pay the**  
 19 **NSF fee set forth in the Consumer Account Disclosure, regardless of whether we**  
 20 **decide to pay or dishonor the item.**

21 ...

22 **If we return an item or decline a transaction for nonsufficient funds, you will be**  
 23 **charged an NSF fee.** We have no obligation to notify you if we return an item or decline  
 24 a transaction for nonsufficient funds.

...

We will process ACH transactions throughout the day, which may include debits and  
 credits. You must keep sufficient funds in your Accounts at all times because debits and  
 credits may occur throughout the day. We may receive multiple deposit or credit and  
 withdrawal or debit transactions on your accounts in many different forms throughout  
 each day. **If a withdrawal or debit occurs when there are insufficient available funds,**  
**you may be charged an NSF fee whether that transaction is processed or not.**  
 Although any subsequent deposit or credit transactions made later that same day may  
 bring the available account balance above \$0.00, the prior NSF fee will remain on the  
 account. The best way to know how much money you have available to spend, and to  
 avoid paying NSF fees, is to record and track all your transactions closely.

Ex. A at 7, 9, 11, 19 (emphasis added).



1 81. The same “check and/or ACH payment” on an account cannot conceivably  
2 become a new one each time it is rejected for payment then reprocessed, especially when—as  
3 here—Plaintiff took no action to resubmit them.

4 82. There is zero indication anywhere in BECU’s account documents that the same  
5 “check and/or ACH payment” is eligible to incur multiple NSF Fees.

6 83. Even if BECU reprocesses an instruction for payment, it is still the same “check  
7 and/or ACH payment.” Its reprocessing is simply another attempt to effectuate an account  
8 holder’s original order or instruction.

9 84. The disclosures described above never discuss a circumstance where BECU may  
10 assess multiple NSF Fees for a single check or ACH transaction that was returned for insufficient  
11 funds and later reprocessed one or more times and returned again.

12 85. In sum, BECU promises that one \$25 NSF Fee will be assessed per electronic  
13 payment or check, and these terms must mean all iterations of the same instruction for payment.  
14 As such, BECU breached the contract when it charged more than one fee per item.

15 86. Reasonable consumers understand any given authorization for payment to be one,  
16 singular “check and/or ACH payment,” as those terms are used in BECU’s account documents.

17 87. Taken together, the representations and omissions identified above convey to  
18 customers that all submissions for payment of the same transaction will be treated as the same  
19 “check and/or ACH payment,” which BECU will either authorize (resulting in an overdraft item)  
20 or reject (resulting in a returned item) when it decides there are insufficient funds in the account.  
21 Nowhere does BECU disclose that it will treat each reprocessing of a check or ACH payment as  
22 a separate item, subject to additional fees, nor do BECU customers ever agree to such fees or  
23 practices.  
24

1 88. Customers reasonably understand, based on the language of the Deposit  
2 Agreement and BECU's other account documents, that its reprocessing of checks or ACH  
3 payments are simply additional attempts to complete the original order or instruction for payment  
4 and as such will not trigger additional NSF Fees. In other words, it is always the same item or  
5 transaction.

6 89. Banks and credit unions like BECU that employ this abusive practice know how  
7 to plainly and clearly disclose it. Indeed, other banks and credit unions that do engage in this  
8 abusive practice disclose it expressly to their account holders—something Defendant here never  
9 did.

10 90. For example, First Citizens Bank, a major institution in the Carolinas, engages in  
11 the same abusive practice as BECU, but at least expressly states:

12 Because we may charge a service fee for an NSF item each time it is presented,  
13 **we may charge you more than one service fee for any given item.** All fees are  
14 charged during evening posting. When we charge a fee for NSF items, the charge  
reduces the available balance in your account and may put your account into (or  
further into) overdraft.

15 *Deposit Account Agreement*, First Citizen's Bank (Sept. 2018), [https://www.firstcitizens.com/](https://www.firstcitizens.com/personal/banking/deposit-agreement)  
16 *personal/banking/deposit-agreement* (emphasis added).

17 91. First Hawaiian Bank engages in the same abusive practices as Defendant, but at  
18 least currently discloses it in its online banking agreement, in all capital letters, as follows:

19 **YOU AGREE THAT MULTIPLE ATTEMPTS MAY BE MADE TO SUBMIT**  
20 **A RETURNED ITEM FOR PAYMENT AND THAT MULTIPLE FEES MAY**  
21 **BE CHARGED TO YOU AS A RESULT OF A RETURNED ITEM AND**  
22 **RESUBMISSION.**

1 *Terms and Conditions of FHB Online Services*, First Hawaiian Bank 40, [https://www.fhb.com/](https://www.fhb.com/en/assets/File/Home_Banking/FHB_Online/Terms_and_Conditions_of_FHB_Online_Services_RXP1.pdf)  
2 [en/assets/File/Home\\_Banking/FHB\\_Online/Terms\\_and\\_Conditions\\_of\\_FHB\\_Online\\_Services](https://www.fhb.com/en/assets/File/Home_Banking/FHB_Online/Terms_and_Conditions_of_FHB_Online_Services_RXP1.pdf)  
3 [\\_RXP1.pdf](https://www.fhb.com/en/assets/File/Home_Banking/FHB_Online/Terms_and_Conditions_of_FHB_Online_Services_RXP1.pdf) (last accessed July 17, 2019) (emphasis added).

4 92. Klein Bank similarly states in its online banking agreement:

5 [W]e will charge you an NSF/Overdraft Fee each time: (1) a Bill Payment  
6 (electronic or check) is submitted to us for payment from your Bill Payment  
7 Account when, at the time of posting, your Bill Payment Account is overdrawn,  
8 would be overdrawn if we paid the item (whether or not we in fact pay it) or does  
9 not have sufficient available funds; or (2) we return, reverse, or decline to pay an  
10 item for any other reason authorized by the terms and conditions governing your  
11 Bill Payment Account. We will charge an NSF/Overdraft Fee as provided in this  
12 section regardless of the number of times an item is submitted or resubmitted to  
13 us for payment, and regardless of whether we pay the item or return, reverse, or  
14 decline to pay the bill payment.

11 *Special Handling/Electronic Banking Disclosures of Charges*, First Financial Bank 2 (Aug.  
12 2018), [https://www.bankatfirst.com/content/dam/first-financial-bank/eBanking\\_Disclosure\\_of\\_](https://www.bankatfirst.com/content/dam/first-financial-bank/eBanking_Disclosure_of_Charges.pdf)  
13 [Charges.pdf](https://www.bankatfirst.com/content/dam/first-financial-bank/eBanking_Disclosure_of_Charges.pdf).

14 93. BECU provides no such disclosure, and in so doing, deceives its account holders.

15 **C. The Imposition of Multiple NSF Fees on a Single Transaction Breaches**  
16 **BECU's Duty of Good Faith and Fair Dealing**

17 94. Parties to a contract are required not only to adhere to the express conditions in  
18 the contract but also to act in good faith when they are invested with a discretionary power over  
19 the other party. In such circumstances, the party with discretion is required to exercise that power  
20 and discretion in good faith. This creates an implied promise to act in accordance with the parties'  
21 reasonable expectations and means that BECU is prohibited from exercising its discretion to  
22 enrich itself and gouge its customers. Indeed, BECU has a duty to honor transaction requests in  
23 a way that is fair to Plaintiffs and its other customers and is prohibited from exercising its  
24 discretion to pile on even greater penalties on the depositor.

1           95. Here—in the adhesion agreements BECU foisted on Plaintiffs and its other  
2 customers—BECU has provided itself numerous discretionary powers affecting customers’  
3 credit union accounts. But instead of exercising that discretion in good faith and consistent with  
4 consumers’ reasonable expectations, BECU abuses that discretion to take money out of  
5 consumers’ accounts without their permission and contrary to their reasonable expectations that  
6 they will not be charged multiple fees for the same transaction.

7           96. BECU exercises its discretion in its own favor—and to the prejudice of Plaintiff  
8 and its other customers—when it reprocesses a transaction when it knows a customer’s account  
9 lacks funds and then charges additional NSF Fees on a single item. Further, BECU abuses the  
10 power it has over customers and their accounts and acts contrary to their reasonable expectations  
11 under the Deposit Agreement. This is a breach of BECU’s implied covenant to engage in fair  
12 dealing and act in good faith.

13           97. Further, BECU maintains complete discretion not to assess NSF Fees on  
14 transactions at all. As alleged in the previous paragraph, an NSF Fee “may” be assessed on certain  
15 “transactions.” By exercising its discretion in its own favor—and to the prejudice of Plaintiffs  
16 and other customers—by charging more than one NSF Fee on a single “transaction,” BECU  
17 breaches the reasonable expectation of Plaintiffs and other customers and in doing so violates the  
18 implied covenant to act in good faith.

19           98. It was bad faith and totally outside Plaintiffs’ reasonable expectations for BECU  
20 to use its discretion to assess two or more NSF Fees for a single attempted payment.

21           99. When BECU charges multiple NSF Fees, BECU uses its discretion to define the  
22 meaning of “check and/or ACH payment” in an unreasonable way that violates common sense  
23  
24

1 and reasonable consumer expectations. BECU uses its contractual discretion to set the meaning  
2 of those terms to choose a meaning that directly causes more NSF Fees.

3 100. Moreover, BECU provides itself discretion to refuse to reprocess transactions that  
4 are initially rejected. It abuses that discretion to repeatedly resubmit transactions and to charge  
5 fees each time.

6 **CLASS ACTION ALLEGATIONS**

7  
8 101. Description of the Classes: Plaintiffs bring this class action on behalf of  
9 themselves and classes of persons (“the Classes”) defined as follows:

10 All consumers who, during the applicable statute of limitations, were charged OD  
11 Fees on debit card transactions that did not overdraw a BECU checking account  
(the “National APPSN Class”)

12 All consumers who, during the applicable statute of limitations, were charged  
13 multiple NSF Fees on the same item on a BECU checking account (the “National  
Multiple NSF Class”)

14 102. Excluded from the Classes are Defendant’s officers, directors, affiliates, legal  
15 representatives, employees, successors, subsidiaries, and assigns. Also excluded from the Classes  
16 are any judge, justice, or judicial officer presiding over this matter and the members of their  
17 immediate families and judicial staff.

18 103. The time period for each of the Classes is the number of years immediately  
19 preceding the date on which this Complaint was filed as allowed by the applicable statute of  
20 limitations, going forward into the future until such time as BECU remedies the conduct  
21 complained of herein.

22 104. Numerosity: The members of the proposed Classes are so numerous that  
23 individual joinder of all members is impracticable. The exact number and identities of the  
24 members of the proposed Classes are unknown at this time and can be ascertained only through

1 appropriate discovery. Plaintiffs estimate the number of members in each Class to be in the  
2 thousands.

3 105. Common Questions of Law and Fact Predominate: There are many questions of  
4 law and fact common to Plaintiffs and the Classes, and those questions substantially predominate  
5 over any questions that may affect individual Class members. Common questions of law and fact  
6 include:

- 7 A. Whether BECU breached its own contract by charging OD Fees on  
8 transactions that did not overdraw an account and whether it charged  
9 multiple NSF Fees on a single transaction;
- 10 B. Whether BECU charged OD Fees on transactions that did not overdraw  
11 an account and whether it charged multiple NSF Fees on a single  
12 transaction;
- 13 C. Whether BECU breached the covenant of good faith and fair dealing;
- 14 D. The proper method or methods by which to measure damages; and
- 15 E. The declaratory and injunctive relief to which the Classes are entitled.

16 106. Typicality: Plaintiffs' claims are typical of the claims of the members of the  
17 Classes. Plaintiffs and all members of the Classes have been similarly affected by BECU's  
18 actions.

19 107. Adequacy of Representation: Plaintiffs will fairly and adequately represent and  
20 protect the interests of the Classes. Plaintiffs have retained counsel with substantial experience  
21 in prosecuting complex and consumer class action litigation. Plaintiffs and their counsel are  
22 committed to vigorously prosecuting this action on behalf of the Classes and have the financial  
23 resources to do so.

1           108. Superiority of Class Action: Plaintiffs and the members of the Classes suffered,  
2 and will continue to suffer, harm as a result of Defendant's unlawful and wrongful conduct. A  
3 class action is superior to other available methods for the fair and efficient adjudication of the  
4 present controversy. Individual joinder of all members of the Classes is impractical. Even if  
5 individual Class members had the resources to pursue individual litigation, it would be unduly  
6 burdensome to the courts in which the individual litigation would proceed. Individual litigation  
7 magnifies the delay and expense to all parties in the court system of resolving the controversies  
8 engendered by Defendant's common course of conduct. The class action device allows a single  
9 court to provide the benefits of unitary adjudication, judicial economy, and the fair and equitable  
10 handling of all class members' claims in a single forum. The conduct of this action as a class  
11 action conserves the resources of the parties and of the judicial system and protects the rights of  
12 the Class members.

13           109. Risk of Inconsistent or Varying Adjudication: Class action treatment is proper,  
14 and this action should be maintained as a class action because the risks of separate actions by  
15 individual members of the Classes would create a risk of: (a) inconsistent or varying  
16 adjudications with respect to individual Class members which would establish incompatible  
17 standards of conduct for the BECU as the parties opposing the Classes; and/or (b) adjudications  
18 with respect to individual Class members would, as a practical matter, be dispositive of the  
19 interests of other Class members not party to the adjudication or would substantially impair or  
20 impede their ability to protect their interests.

21           110. Action Generally Applicable to Class as a Whole: BECU, as the party opposing  
22 the Classes, has acted or refused to act on grounds generally applicable to the Classes, thereby  
23  
24

1 making appropriate final injunctive relief or corresponding declaratory relief with respect to the  
2 Classes as a whole.

3 **FIRST CLAIM FOR RELIEF**

4 **Breach of Contract, Including Breach of the Covenant of Good Faith and Fair Dealing**  
5 **(On Behalf of All Classes)**

6 111. Plaintiffs incorporate by reference the preceding paragraphs.

7 112. Plaintiffs and BECU have contracted for banking services, as embodied in  
8 BECU's account documents.

9 113. All contracts entered by Plaintiffs and the Classes are identical or substantively  
10 identical because BECU's form contracts were used uniformly.

11 114. BECU has breached the express terms of its own agreements as described herein.

12 115. Under the law of states where BECU does business, good faith is an element of  
13 every contract. All contracts impose upon each party a duty of good faith and fair dealing. Good  
14 faith and fair dealing, in connection with executing contracts and discharging performance and  
15 other duties according to their terms, means preserving the spirit—not merely the letter—of the  
16 bargain. Put differently, the parties to a contract are mutually obligated to comply with the  
17 substance of their contract in addition to its form. Evading the spirit of the bargain and abusing  
18 the power to specify terms constitute examples of bad faith in the performance of contracts.

19 116. Subterfuge and evasion violate the obligation of good faith in performance even  
20 when an actor believes their conduct to be justified. Bad faith may be overt or may consist of  
21 inaction, and fair dealing may require more than honesty. Examples of bad faith are evasion of  
22 the spirit of the bargain and abuse of a power to specify terms.



1 117. BECU abused the discretion it granted to itself when it charged OD Fees on  
2 transactions that did not overdraw an account and when it charged more than one NSF Fee on a  
3 single item.

4 118. In these and other ways, Defendant violated its duty of good faith and fair dealing.

5 119. Defendant willfully engaged in the foregoing conduct for the purpose of (1)  
6 gaining unwarranted contractual and legal advantages; and (2) unfairly and unconscionably  
7 maximizing fee revenue from Plaintiffs and other members of the Classes.

8 120. Plaintiffs and members of the Classes have performed all, or substantially all, of  
9 the obligations imposed on them under the agreements.

10 121. Plaintiffs and members of the Classes have sustained damages as a result of  
11 Defendant's breaches of the parties' contracts and breaches of contract through violations of the  
12 covenant of good faith and fair dealing.

13 **SECOND CLAIM FOR RELIEF**

14 **Violations of the Washington Consumer Protection Act, RCW 19.86.010, et seq.**  
15 **(On Behalf of All Classes)**

16 122. Plaintiffs incorporate by reference the preceding paragraphs.

17 123. Washington's Consumer Protection Act, RCW Ch. 19.86 ("CPA"), protects both  
18 consumers and competitors by promoting fair competition in commercial markets for goods and  
19 services.

20 124. To achieve that goal, the CPA prohibits any person from using "unfair methods  
21 of competition or unfair or deceptive acts or practices in the conduct of any trade or  
22 commerce . . .". RCW 19.86.020.

23 125. Plaintiffs and members of the Classes are "persons" as defined in RCW  
24 19.86.010(1).

1 126. Defendant BECU is a “person” as defined in RCW 19.86.010(1).

2 127. As alleged herein, BECU’s routine policies and practices of (a) assessing OD Fees  
3 on transactions that did not actually overdraw checking accounts; and (b) charging two or more  
4 NSF Fees on a single transaction violate the CPA because they are both unfair and deceptive.

5 128. BECU’s policies and practices are deceptive and unfair because BECU  
6 misleadingly and actively omits material facts and deceptively misrepresents each of the above  
7 practices, including in its own account documents.

8 129. BECU’s conduct was deceptive. By failing to honestly disclose its true overdraft  
9 practices and policies to consumers, BECU made affirmative misrepresentations and omissions  
10 of material fact, and thus, engaged in deceptive acts or practices.

11 130. BECU conduct was also unfair. BECU’s practice of charging OD Fees on  
12 transactions that did not actually overdraw checking accounts, was and is likely to cause  
13 substantial injury to consumers in the form of excessive, additional OD Fees. These OD Fees,  
14 charged on transactions that did not actually overdraw accounts, were not reasonably avoidable  
15 by consumers and not outweighed by countervailing benefits.

16 131. In addition, BECU’s practice of charging two or more NSF Fees on a single  
17 transaction was also unfair, as it was and is likely to cause substantial injury to consumers in the  
18 form of excessive, multiple NFS Fees. Consumers could not reasonably avoid these NSF Fees  
19 which were not outweighed by countervailing benefit, as consumers took no action to resubmit  
20 such transactions, but were nonetheless charged multiple NSF Fees.

21 132. Had Plaintiffs and members of the Classes been aware that they were going to be  
22 charged NSF Fees and OD Fees in the manner BECU assessed, Plaintiffs and members of the  
23  
24

1 Classes would not have entered into such transactions and would not have incurred additional or  
2 multiple OD Fees and NSF Fees.

3 133. As a direct and proximate result of BECU's unfair and deceptive acts and  
4 practices in violation of the CPA, Plaintiffs and members of the Classes have incurred more OD  
5 Fees and NSF Fees than they should have, and have suffered monetary damages for which BECU  
6 is liable.

7 134. Plaintiffs and members of the Classes seek actual damages plus interest on  
8 damages at the legal rate, as well as all other just and proper relief afforded by the CPA. As  
9 redress for BECU's repeated and ongoing violations, Plaintiffs and members of the Classes are  
10 entitled to, *inter alia*, actual damages, treble damages, attorney's fees, and injunctive relief.

11  
12 **PRAYER FOR RELIEF**

13 WHEREFORE, Plaintiffs on their own behalf and on behalf of the Classes respectfully  
14 request that the Court:

- 15 (a) Certify this case as a class action, designating Plaintiffs as class representatives  
16 and designating the undersigned as Class Counsel;
- 17 (b) Award Plaintiffs and the Classes actual, statutory, and punitive damages in an  
18 amount to be proven at trial;
- 19 (c) Award Plaintiffs and the Classes restitution in an amount to be proven at trial;
- 20 (d) Award Plaintiffs and the Classes pre-judgment interest in the amount permitted  
21 by law;
- 22 (e) Award Plaintiffs and the Classes attorneys' fees and costs as permitted by law;
- 23 (f) Declare BECU's practices outlined herein to be unlawful and a breach of contract;
- 24

- 1 (g) Enjoin BECU from engaging in the practices outlined herein;
- 2 (h) Grant Plaintiffs and the Classes a trial by jury;
- 3 (i) Grant leave to amend these pleadings to conform to evidence produced at trial;
- 4 and
- 5 (j) Grant such other relief as the Court deems just and proper.

6 **JURY DEMAND**

7 Plaintiffs demand trial by jury.

8

9 DATED this 1st day of August, 2019.

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***Attorneys for Plaintiffs and the Putative Class***

6642/001/540222.1

# Exhibit A



# ACCOUNT AGREEMENTS

## **This Booklet Contains:**

- Membership and Account Information
- Funds Availability Policy
- Electronic Funds Transfer Services
- Rules Regarding Certain Funds Transfers

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**Effective August 2018**

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PO BOX 97050, SEATTLE WA 98124-9750 OR TOLL-FREE 800.223.2328

**KEEP THIS BOOKLET FOR YOUR RECORDS**

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The Membership and Account Agreements are the contracts governing your rights and obligations when using your Accounts offered by BECU. Please read this booklet carefully and retain it for your records.

## I. MEMBERSHIP AND ACCOUNT INFORMATION

### 1. General

Boeing Employees' Credit Union (BECU) is a cooperative society organized as a corporation for the purposes of promoting thrift among its members and creating a source of credit for them. As a Washington State-chartered credit union, BECU is authorized to issue credit union shares to, and receive deposits from, its members. In the Account Agreements, references to Share Accounts are to the traditional credit union share relationship and references to Deposit Accounts are to the kind of deposit relationship that typically exists with financial institutions that are not credit unions. Like other credit unions, BECU pays "dividends" on its Share Accounts. The amount of any dividend is determined from time to time by BECU's Board of Directors and may depend on BECU's available income.

BECU, like financial institutions, generally pays "interest" on its Deposit Accounts. The rate of interest to be paid on a deposit is contractually determined. Usually, this is established at the time the deposit is made and the interest rate is shown on the receipt for the Deposit Account. Details about the interest or dividend rates for BECU accounts and Truth-in-Savings disclosures concerning yields are set forth in the Consumer Account Disclosure.

BECU offers the following accounts:

SHARE ACCOUNTS	DEPOSIT ACCOUNTS
Share Savings Accounts	Checking Accounts
	Savings Accounts
	Money Market Accounts
	Certificate of Deposit Accounts
	IRA* Certificate of Deposit Accounts
	Variable rate IRA* savings Accounts
	Health Savings Account

\*Individual Retirement Account

Additional Accounts may be described from time to time in the Consumer Account Disclosure. The Account Agreements use the term "Account" to mean each of your Share and Deposit Accounts when the rules are the same for each.

By signing the Membership Enrollment Application form (or other Account documentation), which is a part of the Account Agreements, and by providing a valid picture identification (e.g., current driver's license, military identification, passport, current school identification) or by accessing any BECU Account or using an access device subject to this Agreement, you, jointly and severally, agree to all terms and conditions in or delivered in connection with the Account Agreements, including but not limited to the Consumer Account Disclosures, the Funds Availability Policy, the Electronic Funds Transfer Disclosure Statement and Agreement, and BECU's bylaws and policies, all as amended from time to time (and all of which are incorporated into the Account Agreements). Some accounts (e.g., IRA, Health Savings Accounts ("HSA", Money Market Accounts, and Certificates of Deposit) are also subject to additional rules, which will be supplied when you open those accounts. Other agreements you have with us (e.g., loan or credit card agreements) may also govern or restrict your rights under the Account Agreements. You also agree that additional accounts and services you request in the future will be governed by the Account Agreements, as amended from time to time.

**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 ask to see your driver's license or other identifying documents.

## 2. Definitions

**You, your:** Each person or entity, individually, and collectively, who signs a Membership Enrollment Application form (or other account documentation) as a Primary Member, Joint Account Holder, or Authorized Signer, or any authorized users of an Account, and each person who has signed any previous version of a BECU Account signature card or enrollment form.

**Account Holder:** Anyone who is a Primary Member, a Joint Account Holder, or a person defined as a "depositor" under Washington's Financial Institutions Individual Account Deposit Act (which covers both share and deposit accounts).

**We, us, our:** BECU.

**Account:** Any and all accounts you have, or will have, with BECU, including but not limited to the accounts described below, and any other accounts that incorporate provisions of the Account Agreements (or other Account documentation).

**Primary Member, Tax Owner:** The BECU member whose Tax Identification Number (TIN) is used on the Account for reporting interest income to the Internal Revenue Service (IRS) and who signs the Membership Enrollment Application form (or other Account documentation) as, or is otherwise designated as, the Primary Member.

**Membership Application form:** The enrollment form for membership and Account privileges agreed to by all Account Holders (or any future form substituted by us), as amended from time to time.

**Joint Account Holder:** A party who has ownership interest in, and legal liability for, a shared Account.

**Authorized Signer:** A party who may perform transactions on an Account but has no legal liability for the Account, unless the party is also an Account Holder.

**ATM:** Automated teller machine.

**ATM card:** A card that may be used at ATMs to access your Savings and Checking Accounts and that may allow authorized parties to make cash withdrawals, deposits, and transfers and to obtain balance information. ATM cards do not work for making purchases from merchants.

**Debit card:** A card that may be used at an ATM to access your Checking and Savings Accounts to make cash withdrawals, deposits, and transfers and to obtain balance information. Debit cards have either a Mastercard or VISA logo on the front and may be used to make purchases from participating merchants.

## 3. Membership Eligibility

To be eligible for membership at BECU, you must be an individual or entity qualifying within BECU's field of membership, and meet all regulatory, legal, and BECU internal requirements applicable to Account opening. You must also open and maintain a Member Share Savings, Member Advantage Savings, or Early Saver Account. Any minimum-balance requirement is set forth in the Consumer Account Disclosure. Except to the extent that credit or funds are available in the Primary Member's line of credit under the "BECU Credit and Security Agreement" signed by the Primary Member ("Line of Credit"), or Savings Account for automatic overdraft protection (see section 10, "Overdrafts"), you agree to keep enough additional funds in your Accounts to avoid overdrafts and other charges.

## 4. Account Types

You agree that when you set up a Joint Account, Trust Account, or fiduciary type of account with us, you have instructed us as to the proper title of the Account and that we assume no legal responsibility to inform you as to how the creation of one of these Accounts affects your legal and insurable interests. If you have any questions as to the legal effect of any of these Accounts, you will consult with your lawyer and bear the sole responsibility as to the legal effect of the creation of the Account or how we maintain it.

### a. Personal Accounts

A Personal Account is an account with only one owner.

### b. Joint Accounts With and Without Rights of Survivorship

When you set up a Joint Account, you can designate it as either a joint account with right of survivorship or a joint account without right of survivorship. In either case, the Primary Member and Joint Account Holder each own the Account and each have the same rights on the account, except for those things that only the Primary

Member can do (see below in subsection 1). Your new Joint Account will automatically be set up as a joint account with right of survivorship, unless you designate otherwise at the time of account setup. This means that, upon the death of the Primary Member or Joint Account Holder, that person's interest in the Joint Account becomes the property of the surviving account owner. If the Joint Account is set up as a joint account without right of survivorship, then an account owner's ownership interest in the Account (which would be equal to the other account owner's interest, unless otherwise indicated in writing at the time the Account is established) becomes the property of the Payable on Death (P.O.D.) designees, or the account owner's estate upon death. You should talk with a trusted adviser, such as your lawyer, to be sure that the Accounts you establish will be treated as you intend them to be.

All Primary Members and Joint Account Holders must approve any addition or change in the designation of beneficiaries for any Joint Account and the addition of any Joint Account Holder. We may require that any changes to the Account be made in a written form acceptable to BECU, which, upon execution, will be controlling. **You hereby appoint each Account Holder as your attorney-in-fact to give the instructions described below in subsection 2, and appoint the Primary Member to take the actions described below in subsection 1.**

### **1. Exclusive Rights of Primary Member**

Only the Primary Member may do the following, with the proper execution and indemnification by the Primary Member:

- a. Remove other Account Holders from your Account;
- b. After satisfying all obligations that require continuing membership, close the Member Share Savings Account, Member Advantage Account, or Early Saver Account; and
- c. Instruct BECU to change the first source of funds for your Checking Account's automatic overdraft protection plan.

### **2. Rights of Joint Account Holders**

You expressly authorize any Joint Account Holder to act for you or any other Account Holders, except for those orders and instructions that only the Primary Member may give. We may accept any order and instruction regarding the Account and any request for future services from any Joint Account Holder without the consent or notice to other Account Holders. These unilateral instructions include but are not limited to:

- a. Closing the Account (unless doing so would terminate membership);
- b. Removing the Account Holder's own name from the Account;
- c. Changing addresses;
- d. Supplying endorsements;
- e. Withdrawing available funds even if the withdrawal causes an overdraft;
- f. Writing or stopping payment on checks;
- g. Accessing the Account with an ATM/debit card or other access device for withdrawals from your Checking or Savings Account, point-of-sale ("POS") transfers, or other debit transactions from your Checking Account, even if such a transaction causes an overdraft; and
- h. Pledging or assigning the Account for any authorized loan(s) from BECU (including but not limited to credit extended under credit cards), even if the loan is not made to all Account Holders.

### **3. Powers of Attorney**

A power of attorney gives a party you designate the authority to act as your attorney-in-fact and handle your affairs on your behalf while you are alive. We reserve the right to not honor a power of attorney affecting the Account, unless we are satisfied of the legality and or authenticity of the form and content of the power of attorney, related affidavit, and any other information or documentation we may request. The determination to accept or reject the information or documentation will be in our sole good-faith discretion, without any liability to BECU, and may be subject to change from time to time depending on the circumstances.

All Account Holders are bound by any actions taken by the attorney-in-fact in connection with the Account. Unless stated in the power of attorney, your attorney-in-fact cannot:

- a. Change or alter Account ownership;
- b. Add or delete a beneficiary from the Account;
- c. Empower others to act on the Primary Member's behalf; and

**d. Terminate membership.**

Any attorney-in-fact appointed by you is subject to this Agreement and must satisfy BECU membership requirements. At our option, we may in good faith and without liability honor instructions given by someone else purporting to act for any Primary Member and Joint Account Holder under a power of attorney or as the Primary Member and Joint Account Holder's guardian, executor, personal representative, or the like.

**4. Account Holder Liability**

If any check is deposited to your Account and then returned unpaid to BECU from the paying bank for any reason whatsoever, the amount of the check may be deducted from your Account. All Account Holders will be liable (jointly and severally) to BECU for any resulting overdrawn amount in your Account. Likewise, if any transfer or credit is made to your Account and the transfer or credit was fraudulent, unauthorized, or invalid in any way whatsoever, BECU may deduct the amount of the transfer or deposit from your Account. All Account Holders will be liable (jointly and severally) to BECU for any resulting overdrawn amount in your Account. Further, if an Account is overdrawn for any reason (including system errors or mistakes), all Account Holders will each be liable (jointly and severally) to BECU for payment on demand of the amount of the returned check, the fraudulent, unauthorized, or invalid transfer or deposit, and any overdrawn amount regardless of who created the overdraft, cashed the check, delivered the check for credit to your Account, directed the credit to or debit from your Account, or benefited from the transaction. If any Account Holder is indebted to BECU such that we have a lien against or may offset an Account of that Primary Member or Joint Account Holder, you agree that we may enforce our rights against any or all funds in the Account(s) regardless of who owes the debt or contributed to the Account.

**c. Payable on Death**

A P.O.D. designation on an Account means that the funds in the Account are payable to the Primary Member or Joint Account Holder during your lifetime and, upon the death of the last Account Holder, are payable to any named and surviving P.O.D. beneficiary named on the controlling account application or documentation. If the Account is held by more than one Account Holder, the Account will be subject to the terms and conditions pertaining to Joint Accounts. A P.O.D. beneficiary designation does not apply to IRAs or HSAs, which are governed by a separate beneficiary designation. If there is no surviving P.O.D. beneficiary upon the death of the last Account Holder, state law will determine rights to the funds.

**d. Revocable and Irrevocable Trust Accounts**

The person creating the trust is called the Trustor, and the Trustee is the person named in the trust who is charged with managing the Account. BECU may allow the opening of revocable living and irrevocable trust accounts, subject to certain conditions. For a revocable living trust, the Trustor must be a member of BECU. For an irrevocable trust, the decedent must have been an existing member or the beneficiary or one of the beneficiaries must be eligible for membership with BECU. The Trustee(s) can individually exercise all powers of an Account Holder. The Trustor and every Trustee agree to be bound by the terms of the Account Agreements and to furnish BECU, upon request, a copy of the written trust agreement and other documents and authorizations that it may deem necessary or appropriate.

In opening an Account held by a trust, BECU acts only as a depository for the trust's funds, and is under no obligation to act as a fiduciary or to inquire as to the powers or duties of any Trustee. The Trustee and the Trustor, in their individual capacities, and in their trust capacities, agree that they are jointly and severally liable to BECU for any and all obligations incurred by the trust or any Trustee and agree to indemnify BECU and hold it harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney fees, that the trust may suffer or incur arising out of or related to any action or claim by any beneficiary, Trustor, Trustee, or any other party with respect to the authority or actions taken by any Trustee in handling or dealing with the Account. It is expressly agreed that the Washington Trust Act of 1984 and the Washington Financial Institution Individual Account Deposit Act, as they may be amended from time to time, govern the trust and all its relations with BECU, unless a particular state law having express application provides otherwise. Unless expressly stated to the contrary, all the other terms and conditions of the Membership and Account Agreements apply with equal force to Accounts held by trusts.

**e. Estate Accounts**

An estate account may be established on behalf of the estate of a deceased person on which an entity or person acts on behalf of the estate. The Account is established by a court-appointed party, usually a personal representative or executor. The court-appointed party must meet BECU membership guidelines or the

decedent must have been an existing member.

**f. Benevolent Accounts**

A benevolent account may be established for a deceased person's family to collect funds "In Memory of" or to collect contributions to assist someone who has a medical or emergency need. The Account is established under the beneficiary's name and tax ID number. The beneficiary is the Primary Member of the Account and must meet BECU membership guidelines. The administrator, the person who establishes and controls the Account and can access it, need not be eligible for BECU membership.

Benevolent accounts are subject to all the other terms of this Agreement, but include the following special restrictions:

1. The Account must be non-interest-bearing (savings or checking);
2. The Account may remain open no longer than one year;
3. No P.O.D. beneficiaries, joint owners, or other beneficiaries may be listed, other than the person for whom the Account was established;
4. Receipts are NOT issued stating that contributed funds were accepted as a charitable contribution.

**g. Minor Accounts**

For any account established by or for a minor, as Primary Member we reserve the right, at our sole discretion, to require that another Joint Account Holder be placed on the Account who is a parent or legal guardian appointed by the court and at least 18 years of age. This additional Joint Account Holder will be jointly and severally liable to BECU for any returned item, overdraft, unpaid charges, or amounts owing on the Account regardless of the minor's rights regarding such contracts. You agree that we have no duty to inquire as to the use or purpose of any transaction by a minor or any other Joint Account Holder. We are not required to change the Account status when a minor reaches age 18, unless the minor or all Account Holders authorize us to do so in writing at that time.

**h. Uniform Transfers to Minors Act (UTMA) Accounts**

An account opened under the UTMA, in which at the time of transfer the transferor, minor, custodian, or custodial property is located in Washington State, is an individual Account established in the name of an adult person as custodian for the benefit of a minor, as defined by, in accordance with, and to include all the provisions of the Washington Uniform Transfers to Minors Act (RCW 11.114 et seq.) as it now exists or as it may be amended. The custodian, or successor custodian (upon declination to act, resignation, or death of custodian), named on the Account controls the funds in the Account for the exclusive use and benefit of the minor and is the only party entitled to make deposits to or withdrawals from or to close the Account unless otherwise directed by the court.

In the event of the death, resignation, or incapacity of the custodian and all named successor custodians, we may place an administrative hold on the Account until we receive instructions to withdraw funds from any person authorized by law or order of the court authorizing such withdrawal. We are not required to change the Account status when the minor reaches the age of majority, unless the custodian or the court authorizes us to do so in writing. We have not provided you with any tax advice regarding this Account, and you are advised to see a qualified tax adviser on the tax treatment of this Account.

**i. Club Accounts**

The authorized person who opens an Account for a club agrees to furnish us with the names and signatures of any persons authorized to access and deal with the club's Accounts. We may rely on such written authorization until informed of any changes in writing. We may, in our sole discretion, require that third-party checks payable to a club not be cashed but instead be delivered for credit to the club's Account. BECU will be deemed to have no notice of any breach of fiduciary duties arising from a transaction by any agent (or purported agent) of the club or Account Holder, unless BECU has actual knowledge of any wrongdoing.

**j. Representative Payee Accounts**

A representative payee account may be established on behalf of a recipient of benefits from the Social Security Administration (SSA) or Supplemental Security Income (SSI) on which an entity or person, as designated by the SSA as representative payee, acts on behalf of the recipient as Authorized Signer. The representative payee establishes the Account in the name of the recipient as the only owner. Neither the representative payee nor a third party can have ownership interest in the Account. While the recipient retains ownership interest, the account title must be established to not permit him or her to have direct access to the funds, for example,

“[Recipient’s name] by [representative payee’s name], representative payee” or “[representative payee’s name], representative payee for [recipient’s name].”

The recipient must be eligible for membership and is the Primary Member. The representative payee agrees to be bound by the terms of the Account Agreements and to furnish BECU, upon request, a copy of the written SSA authorization designating the representative payee and other documents and authorizations that we may deem necessary or appropriate.

In opening a representative payee account, BECU acts only as a depository for the recipient’s SSA or SSI funds, and is under no obligation to act as a fiduciary or to inquire as to the powers or duties of the representative payee. The representative payee agrees that he or she is liable to BECU for any and all obligations incurred by any actions dealing with the Account and agrees to indemnify BECU and hold it harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney fees, that we may suffer or incur arising out of or related to any action or claim by any party with respect to the authority or actions taken by the representative payee in handling or dealing with the Account. Unless expressly stated to the contrary, all the other terms and conditions of the Membership and Account Agreements apply with equal force to representative payee accounts.

#### **k. Guardianship Accounts**

A guardianship account is established on behalf of a court-determined incapacitated person on which an entity or person, legally designated as guardian by the courts, acts on behalf of the incapacitated person as Authorized Signer. The Account is established under the name of the incapacitated person, and the Account must show the incapacitated person as the only owner. Neither the guardian nor a third party can have ownership interest in the Account. The Account title must be established to designate the nature of the Account, for example, “[incapacitated person’s name] by [guardian’s name], guardian” or “[guardian’s name], guardian for [incapacitated person’s name].”

The incapacitated person must be eligible for membership and is the Primary Member. The guardian is an Authorized Signer. The guardian agrees to be bound by the terms of the Account Agreements and to furnish BECU, upon request, a copy of the Letters of Guardianship, Orders Appointing Guardian, or other court orders designating the legal guardian and other documents and authorizations that we may deem necessary or appropriate.

In opening a guardianship account, BECU acts only as a depository for the incapacitated person’s funds, and is under no obligation to act as a fiduciary or to inquire as to the powers or duties of the guardian. The guardian agrees that he or she is liable to BECU for any and all obligations incurred by any actions dealing with the Account and agrees to indemnify BECU and hold it harmless from and against any and all loss, costs, damage, liability, or exposure, including reasonable attorney fees, that we may suffer or incur arising out of or related to any action or claim by any party with respect to the authority or actions taken by the guardian in handling or dealing with the Account. Unless expressly stated to the contrary, all the other terms and conditions of the Membership and Account Agreements apply with equal force to guardianship accounts.

### **5. Product Types**

#### **a. Member Share Savings Account**

The Member Share Savings Account is subject to the same restrictions that apply to all Savings Accounts. The Member Share Savings Account is the Account that must remain open for continued membership eligibility. Any minimum-balance requirement is set forth in the Consumer Account Disclosure.

#### **b. Savings Accounts**

BECU reserves the right to require 90 days’ prior written notice of any intended withdrawal from any Savings Account or a longer period as the Washington Director of Financial Institutions may authorize. Savings Accounts are not transaction accounts. Rates, fees, and restrictions on the timing or number of withdrawals will be set forth in the Consumer Account Disclosure.

#### **c. Money Market Accounts**

A Money Market Account is subject to the same restrictions that apply to all Savings Accounts. The Money Market Account is a Savings Account for which a higher interest rate may be available if a certain minimum balance is maintained. The rates and fees are set forth in the Consumer Account Disclosure.

#### **d. Checking Accounts**

A Checking Account is a transaction account without restrictions on timing or the number of withdrawals

that apply to Savings Accounts. Rates, fees, and other restrictions are set forth in the Consumer Account Disclosure.

You agree that the following applies to your Checking Accounts:

1. We are authorized to pay any check or other item that creates an overdraft, any returned item, and all charges associated with overdrafts or returned items by making advances under or transfers from any BECU account for which you authorized overdraft protection (for example any Line of Credit, Savings Account, or Checking Account), and we will have no obligation to, but we may, pay an item, which could cause a negative balance in your Account, all in accordance with the "Overdrafts" section in the Account Agreements. You agree that, unless you tell us otherwise, we may link your Checking Account to any BECU Line of Credit on which you are the primary borrower.
2. We are authorized to reimburse all clearing institutions for the amount of an item and to charge the amount against the Account designated on the item.
3. We process and pay checks that you write from your Account in order from smallest dollar amount to largest dollar amount. We do this to minimize the number of transactions that my trigger NSF fees.
4. We will process debit and credit Automatic Clearing House ("ACH") transactions throughout the day, in the order they are received in our processing center. Therefore, if an Account withdrawal or debit transaction is processed in the morning and it exceeds your available Account balance at that time, you may be charged a non-sufficient funds (NSF) fee, even if a deposit or credit transaction occurring later that day raises your available balance above \$0.00. We may receive multiple credit or debit transactions on your Accounts in many different forms throughout each day. The best way to know how much money you have available to spend, and to avoid paying NSF fees, is to record and track all your transactions closely.
5. We will credit items delivered to us subject to final settlement and applicable law.
6. We will have no obligation to, but we may, pay antedated checks, or checks that are stale-dated (more than six months old), without notice to you, and we may deem the date on such a check to be the date that the check is presented to us.
7. We may pay postdated checks early unless an authorized party gives contrary notice complying with applicable law.
8. Except for willful misconduct and subject to applicable law, we are not liable for any action taken regarding the payment or nonpayment of an item.

**e. Individual Retirement Accounts**

IRAs are governed by the terms of the Membership and Account Agreements and the terms and disclosures in the IRA application, which are incorporated in this Agreement by reference.

**f. Certificate of Deposit Accounts**

A Certificate of Deposit is a Deposit Account on which we agree to pay a stated rate of interest for a stated period. BECU's Certificates of Deposit are not negotiable and are not instruments; all certificates are evidenced by Account information disclosed on your monthly statements. Early-withdrawal penalties may apply. Except as stated in any separate Certificate of Deposit receipt or disclosures, Certificate of Deposit Accounts are governed by the terms of the Account Agreements as well as the terms set forth in the receipt or disclosures, and these terms are incorporated in this Agreement by reference.

**g. Health Savings Accounts**

HSAs are governed by the terms of the Consumer Account Agreements and the terms, disclosures, and agreements in the HSA application and related documents, which are incorporated in this Agreement by reference.

**6. Requirements for Delivery of Funds for Shares and Deposits**

Cash, checks, or other items may be presented for deposit at any BECU financial center, any designated ATM, or other location that we specify from time to time. We reserve the right to reject any items presented that require special handling or processing or that exceed any maximum for deposits or share issuance set by BECU. Funds may be delivered for deposit by electronic funds transfer ("EFT"), or wire transfer as described in the Membership and Account Agreements.

**a. Endorsements**

You authorize us, in our discretion, to accept transfers, checks, drafts, and other items for your Accounts if



they are made payable to, or to the order of, any one or more Account Holders on the Account, whether or not they are endorsed by an Account Holder or Authorized Signer. You authorize BECU to supply missing endorsements if BECU so chooses. You warrant that when you deliver or present items to your Accounts, or when they are presented by others, all prior endorsements on any item are genuine. BECU reserves the right (but is not required) to verify all endorsements on checks presented for deposit or share issuance either in person or by comparison with signature files. Insurance, government, and certain other checks or drafts must be endorsed exactly as they are made payable, and we reserve the right to require endorsement in person. An endorsement must be placed in the space on the back of a check between the top edge and 1½ inches from the top edge. We may accept for deposit drafts and checks with endorsements outside this space or drafts and checks without endorsement, at our option. But if any endorsement (or lack of an endorsement) causes any delay in processing the item for payment, you will be responsible for any loss incurred by BECU because of the delay. If any Magnetic Ink Character Recognition (MICR) information is provided on a check or other item, we may disregard any conflicting information on the item other than the signature of the drawer and the MICR information. If any item that is deposited to your account lacks a special endorsement as required by any remote or mobile banking service, you will be liable for any loss associated with the deposit, the deposited item, or any subsequent deposit of the same item and we will debit your Account for the amount of the item plus any fees as disclosed in our Account Disclosure.

#### **b. Final Payment**

All funds received (except cash) and posted to your Accounts are provisional and subject to our receipt of final payment. If final payment is not received, we reserve the right to charge any Account on which you are Primary Member or Joint Account Holder, and/ or your Line of Credit for the amount of those funds. In such an instance, we may impose a fee on your Account as indicated in our Consumer Account Disclosure. If you do not have sufficient funds in your Account or your Line of Credit, or if you do not have a Line of Credit, then the item will be submitted to collections. After we have received final payment, we refer to these items as collected items. If we incur any fee to collect an item, we may charge the fee to your Account. We reserve the right to refuse or to return all or a part of any funds.

We may receive multiple credit or debit transactions on your Accounts in many different forms throughout each day. The best way to know how much money you have available to spend, and to avoid paying NSF fees, is to record and track all your transactions closely.

### **7. Consumer Account Disclosure**

The dividend or interest rate, Annual Percentage Yield, methods of compounding, accrual or crediting of these, and other restrictions on your Accounts are set forth in the Consumer Account Disclosure and are incorporated in this Agreement by this reference. The Account Agreements are provided to you when you deliver your signed Membership Enrollment Application form to us, within 10 days of receiving your signed Membership Enrollment Application form by mail, or upon request. Any use of an Account constitutes your agreement to the terms of the Consumer Account Disclosure and the Membership and Account Agreements.

### **8. Fees and Charges**

You and any Authorized Signers agree to pay BECU the fees and charges set forth in the Consumer Account Disclosure and any additional or substitute fees and charges imposed by BECU from time to time under the Membership and Account Agreements, any amended Consumer Account Disclosure (or substituted fee schedule), or any other agreement between you and BECU (such as an EFT agreement or rules covering IRAs or other particular accounts). We may deduct all fees and charges from any Account of any Account Holder without prior notice. We may change the fee schedule in the Consumer Account Disclosure at any time and will provide notice of the changes in the same way that notice is provided for changes to the Membership and Account Agreements.

You are liable for and agree to pay all of BECU's internal and external costs, collection expenses, or other expenses we incur from your failure to follow this Agreement. All these costs and expenses, such as collection and recovery costs, attorney fees, and court costs, including fees on any mediation, arbitration, appeal, bankruptcy proceedings, and postjudgment collection actions, will be added to your present debt, and interest may be charged on them at the highest rate allowed by law. You are liable for and agree to pay BECU's internal and external costs incurred from your deposit of a check payable in a foreign currency for which dollar credit has been given.

In addition to the preceding fees, you agree to indemnify and defend BECU and hold it harmless from and

against any and all liabilities, losses, damages, or costs, including attorney fees (whether or not suit is brought), court costs, and other costs of litigation that we may incur in connection with:

- a. A garnishment, levy, attachment, or other investigation or claim of any nature by a third party against any of your Accounts, including without limitation fees relating to funds of a deceased Account Holder or any interpleader proceeding (interpleader fees could be incurred if we transferred funds to a court to hold until rights of claimants were determined);
- b. Any dispute between BECU and any Account Holder, Authorized Signer, beneficiary, or other claimants to funds or regarding any account transaction; and
- c. Any proceeding or dispute concerning a power of attorney presented with respect to your Accounts with BECU, or in any other matter involving BECU and your Accounts.

## **9. Account Access**

### **a. Access Options**

You and Authorized Signers may make withdrawals or transfers from your Account in any manner that we may now or hereafter permit from time to time (e.g., by check, through ATMs or electronic means, in person, or by mail, automatic transfer, or telephone). If you make withdrawals by check, the check must be properly completed and signed by you or your representative whose authority and signature is on file with us. BECU may return as unpaid any check that is not drawn in a form acceptable to us.

### **b. Transfers by Mail**

A transfer or withdrawal by mail requires a signed written request by an authorized individual. Such a transaction will be posted to your Account as of the day the transaction is processed at BECU.

### **c. Withdrawal Restrictions**

We are required to permit a withdrawal, honor any item, complete a POS transfer, or pay any other EFT, or ATM/bit transaction only if you have sufficient available funds in your Account to cover the full amount of the transaction or you have funds available to cover the transaction as described in the "Overdrafts" section. In our sole discretion, we may honor any item, in which case you agree to pay the NSF fee set forth in the Consumer Account Disclosure, regardless of whether we decide to pay or dishonor the item. If there are sufficient available funds to cover some but not all of your withdrawal orders or items, we may allow those withdrawals for which there are sufficient available funds in any order. We may also refuse to allow a withdrawal whenever we are uncertain regarding who is entitled to funds or there is a claim of any nature against you or the Account, for example:

1. When there is a dispute between claimants for the funds in any Account;
2. If a writ of garnishment, writ of attachment, tax levy, or similar document is received;
3. When the Account has been pledged as collateral for a debt to BECU;
4. If any required documentation has not been presented; or
5. If you fail to repay BECU's loan on time.

### **d. Transfer Limitations**

For Savings Accounts, you may make up to six preauthorized, automatic Telephone or Online or Mobile Banking transfers to another Account of yours or to a third party during any calendar month. A preauthorized transfer includes any arrangement with us to pay a third party from your Account upon oral or written orders, including orders received through the ACH. There is no limit on the number of transfers you can make to any BECU loan account. If a transfer request would exceed the transfer limitations, we may refuse or reverse a transfer that exceeds these limitations, and we may close your Account or assess fees against your Account as set forth in the Consumer Account Disclosure.

### **e. Account Not Negotiable**

All Accounts, including but not limited to Certificates of Deposit, are nonassignable and nonnegotiable to third parties.

### **f. Cross-Account Transfers**

**You agree that:**

1. If a Personal Identification Number (PIN), password, or authorization code is required for any Account access, any individual with the correct PIN, password, or authorization code may make withdrawals or

transfers from your Accounts. Completed transfers to a third party's account are final.

2. BECU may cancel, at our own discretion, any cross-account transfer relationships you have authorized.

## **10. Overdrafts**

An overdraft could occur in your Accounts in several ways, such as when there are not sufficient available funds in your Accounts upon:

1. The payment of checks, EFTs, or other withdrawal requests;
2. Payments authorized by you;
3. The return of unpaid items deposited to your Account;
4. The assessment of fees; or
5. The deposit of items that, according to our Funds Availability Policy, are treated as not yet available or finally paid, also called "uncollected funds."

We are not obligated to pay any item presented for payment if your Accounts do not contain sufficient funds or your Accounts are not covered by an overdraft protection plan as described below.

Overdraft services should not be viewed as an encouragement to overdraw your Account. As always, we encourage you to manage your finances responsibly. BECU does NOT include available overdraft amounts in the balance provided by a teller, for ATM or POS debit card transactions, or through Telephone or Online Banking.

### **a. Standard Overdraft**

#### **1. Optional Courtesy Pay for Checking Accounts**

If you maintain your Checking Account in good standing and are not in default or delinquent on any BECU Account, as a courtesy, we may pay items that will overdraw your Account. You may opt out of this service at any time, in writing or upon oral request, but you are responsible for any overdrawn balances at the time of opting out. We may refuse to pay an item that would overdraw your Account at any time, even though we may have previously paid such items for you. You may be notified of any items paid that cause your Account to become overdrawn. Additionally, you may be notified of items that are returned when there are not sufficient funds in your Account. But we have no obligation to notify you before we pay or return any item. The overdrawn amount in your Account plus any fees (as disclosed in the Consumer Account Disclosure) that you owe us are due and payable upon demand.

Optional Courtesy Pay for Checking Accounts is a noncontractual service available to individually and jointly owned Accounts in good standing. We reserve the right to discontinue this service without prior notice.

If you would like to remove this service from your account, an authorized person can do so over the phone by calling us at 206.439.5700 or toll-free at 800.233.2328, by visiting us at any location, or by sending us a written request.

#### **2. Optional Courtesy Pay Overdraft Service for Debit Card Transactions (not including ATM withdrawals)**

If you maintain your Checking Account in good standing and are not in default or delinquent on any BECU account, as a courtesy and only after we receive and confirm your prior consent, we may authorize and pay everyday debit card POS transactions that will overdraw your account (when you use your debit card for payment). If you choose to opt out of this service you are responsible for any overdrawn balances at the time of opting out. Even though we may have previously authorized and paid transactions that overdraw your account, at our own discretion we may decline such transactions at any time. You may be notified of any authorized and paid transaction that causes your account to become overdrawn. Additionally, you may be notified of transactions declined when there are not sufficient funds in your account. But we have no obligation to notify you before we authorize and pay or decline any transaction. The overdrawn amount in your account plus any overdraft fee(s) (as disclosed in the Consumer Account Disclosure) are due and payable upon demand.

Optional Courtesy Pay Overdraft Service for Debit Card Transactions (not including ATM withdrawals) is a noncontractual service available to individually and jointly owned accounts in good standing. We reserve the right to discontinue this service without prior notice.

If you would like to opt out of this service, you can do so in Online Banking, over the phone by calling us at 206-439-5700 or toll-free at 800-233-2328, by visiting us in person, or by mailing in your opt-out request to:

BECU M/S 1081-2  
P.O. Box 97050  
Seattle, WA 98124

#### **b. Automatic Overdraft Protection Options**

Your Checking Account may be linked to your Line of Credit Savings Account, or Money Market Account. If on any day the funds in your Checking Account are not sufficient to cover checks and other items posted to your account (including returned items, EFTs, Online or Mobile Banking transfers, ACH transfers, ATM withdrawals, and POS or other ATM/debit card transactions), you authorize us either to make an advance under your linked Line of Credit or to transfer funds from your linked Account to pay any deficiency. Transfers from the linked Account may help you avoid paying NSF fees.

Our determination of a nonsufficient Account balance may be made at any time between presentation of an item (or receipt of an EFT, Online or Mobile Banking transaction, or ACH or ATM/debit card transaction) and our midnight deadline, with only one review of the Account required. If we return an item or decline a transaction for nonsufficient funds, you will be charged an NSF fee. We have no obligation to notify you if we return an item or decline a transaction for nonsufficient funds. Unless the Primary Member advises us differently in writing or in person, transfers or advances for overdraft protection and other charges will be made first by charging the Primary Member's Line(s) of Credit with us (if any) to the extent of available credit, and then by transferring funds (if any) from any other linked account (unless the account has been pledged as collateral for a debt to BECU).

You agree to pay the fees and charges (if any) listed in the Consumer Account Disclosure for each automatic transfer to your Checking Account under this automatic overdraft protection plan.

##### **1. Transfers From a Linked Line of Credit**

All transfers from a Line of Credit must be in one-hundred-dollar increments or the available balance, whichever is less. Charges to a Line of Credit may not exceed the credit available under the terms of the BECU Credit and Security Agreement and we are not required to cover overdrafts:

- a. If the member's right to further advances under the BECU Credit and Security Agreement has been suspended or if the BECU Credit and Security Agreement has been terminated;
- b. After the occurrence of a default in the terms of the BECU Credit and Security Agreement; or
- c. Whenever prohibited by the BECU Credit and Security Agreement or any applicable law.

##### **2. Transfers from a Linked Account**

All transfers from your Account must be in exact dollar increments. Excess Transaction Fees for transactions that exceed the limitations imposed on Savings Accounts by federal Regulation D may be assessed as disclosed in the Consumer Account Disclosure.

We are not required to transfer funds to your Checking Account if:

- a. Any or all of your accounts are subject to a writ of garnishment, writ of attachment, tax levy, or similar document;
- b. There is a dispute between persons claiming an interest in the Account;
- c. We are uncertain regarding who is entitled to funds in any account you may have with us; or
- d. We terminate or suspend your Account as provided in the "Termination or Suspension of Account" section.

#### **11. Check Stop-Payment Orders**

##### **a. Stop-Payment Request**

An authorized individual may, upon timely and proper request, ask us to stop payment on a specific check or other item drawn on your Checking Account. The person may request a stop payment by telephone, by mail, by appearing in person, or online. The stop payment will be effective only if we receive the order in time for our employees to reasonably act on the order and only if you state the account number, the check number, and its exact amount. If you give us incorrect or incomplete information, we will not be responsible for failing

to stop payment on the item. If the stop-payment order is not received in time, we will not be liable to you or to any other party for payment of the item. If we recredit your account after paying an item over a valid and timely stop-payment order, you agree to sign a statement describing the dispute with the payee, to transfer to BECU all your rights against the payee or other holders of the item, and to assist us in legal action taken against the person.

**b. Duration of Order**

Stop-payment orders are effective for six months and will automatically terminate after six months unless you notify BECU before the six months expire. An authorized individual must notify BECU in writing to release any stop-payment order before the six-month period expires.

**c. Liability**

We may charge a fee for each stop-payment order as set forth in the Consumer Account Disclosure. A stop payment may not be placed on any certified check, teller's check, or other check, draft, or payment that is guaranteed by you or BECU. You should be aware that while payment of the item may be stopped, you may remain liable to any person, including BECU, who is a holder of the item, despite the stop-payment order.

**d. Stop Payment of ATM/Debit Card or POS Transactions**

Stop payment for any ATM/debit card transaction or POS transfer may not be made once you have completed the transaction with the merchant.

**12. Postdated Checks**

An authorized individual may, upon timely and proper request, ask us not to pay a postdated check or other item before the date of the item. The request may be made by telephone, by mail, or in person. The request will be effective if we receive the order in time for our employees or agents to reasonably act on the request and the request includes the account number, the check number, and its exact amount. If we receive incorrect or incomplete information, we will not be responsible for paying the item. If we do not receive the request in time, we may charge your account for the item even though payment is made before the date of the check. If we recredit the Account after paying an item early despite a valid and timely request to delay payment, you agree to sign a statement describing any dispute with the payee, to transfer to BECU all your rights against the payee or other holders of the item, and to assist us in legal action taken against the person.

**13. Lost Items; Collection Agent Only**

In receiving items from you (e.g., for withdrawal, collection, deposit, or the issuance of shares), we act only as your agent and reserve the right to reverse any credit given for such items or to charge your Account for the items if they become lost in the collection process or are uncollectible for any other reason. You waive notice of dishonor on any item charged back to the Account. Such a chargeback may cause an overdraft in the Account.

**14. Limitation on BECU's Liability for Errors**

Subject to applicable law, we will be liable only for your actual losses or damages not to exceed the amount of the transaction, less lawful deductions. The standard by which our actions will be measured is willful misconduct. We will not be liable for any other losses or damages and will not be liable at all if:

- a. Through no willful misconduct of BECU, your Account does not contain enough money to make the transaction;
  - b. Circumstances beyond our control prevent the transaction;
  - c. Your loss is caused by another financial institution; or
  - d. The money in your Account is subject to garnishment, attachment, tax levy, legal process, or other claim.
- In no event will we be liable for consequential, incidental, or punitive damages.

**15. BECU Lien and Ability to Offset**

BECU has a statutory lien on any or all funds in any of your Accounts at BECU, regardless of the source of the funds. We may apply the funds on which we have a lien to pay off any indebtedness of any Primary Member or Joint Account Holder as an Account Holder, borrower, guarantor, endorser, or otherwise on any obligation to BECU. You agree that we may offset against or deduct from any Account, including Joint Accounts, any amount due or to become due to us by any Account Holder (including but not limited to account fees and loans or other debts, whether matured or not), even if the amount is not owed by all Account Holders. We may do so without prior notice to you. If we choose not to enforce our lien or exercise our offset rights, we do not waive our right to

do so at a later time.

#### **16. Obtaining and Providing Information About Accounts and Account Holders**

You authorize us to check your account records, credit, and employment history and to obtain a credit report from third parties, including credit reporting agencies, relating to any Account Holder or Authorized Signer to verify eligibility for the Accounts and services requested from time to time.

Upon your request, we will inform you of the name and address of each credit reporting agency from which BECU obtains a credit report in connection with your Account.

Please refer to our Privacy Notice for additional information regarding obtaining and providing information about you and your Accounts.

#### **17. Notices**

##### **a. Name or Address Changes**

You agree to notify BECU upon a change of address or change of name. We are required to honor only items drawn on the name(s) listed on the Account and to attempt to communicate with you only at the most recent address for the Primary Member shown in the account records of BECU. We will accept a change-of-address notice that is signed and submitted to BECU by an authorized individual. We may, at our sole discretion, accept an oral notice of a change in address from an authorized individual.

##### **b. General Notices, Correspondence, and Oral Communications**

In the absence of a contrary request, we will send any notice, document, or correspondence regarding your Accounts by mail to the Primary Member at the last address in BECU's account records. You authorize us to update your address (at our option) with any address change received from the U.S. Postal Service. Notices may be included with an account statement or in any BECU publications. Notices and other documents made available to the Primary Member are binding on all Account Holders even though not received by all Account Holders. The Primary Member, Joint Account Holder, and Authorized Signers specifically agree to keep all other Account Holders and Authorized Signers informed of such notices, account statements, and other documents. You agree that oral instructions provided by an authorized individual are binding on you if relied on by us and agree to defend BECU against and hold it harmless from any liability arising as a result of those instructions. You agree that our records of all transactions will govern in case of any dispute.

##### **c. Notice of Amendments**

Except as prohibited by applicable law, the terms of the Account Agreements and all fees and other agreements provided in connection with any Account are subject to change by us at any time. We may provide notice by mail at least 30 days before the change or changes become effective or as required by law. You agree to be bound by a change if an authorized individual uses or maintains the Account after the effective date of the change. You agree that if notice is given by mail, only one notice is necessary in the case of a joint account. Authorized individuals may terminate your account before the effective date of any changes.

##### **d. Notice of Disputes**

All communications concerning any disputed debts, including any check or instrument tendered as full satisfaction of a debt (including loans), are to be sent only to the attention of:

BECU, Credit Report Dispute  
Mailstop 1082-2  
P.O. Box 97050  
Seattle, WA 98124

#### **18. Taxpayer Identification Numbers (TIN) and Backup Withholding**

We are required by law to withhold and pay to the IRS a percentage of payments of dividends, interest, and other payments under certain conditions. This is called "backup withholding." Your failure to furnish a correct TIN or meet other applicable requirements may result in backup withholding as well as civil or criminal penalties. If you refuse to provide your TIN, we may suspend your Account.

#### **19. Statements**

The Primary Member will receive a periodic statement of all transactions and activity on the account(s) during the statement period; all Account Holders and Authorized Signers agree to stay informed about your Accounts and to obtain all desired information from the statement recipient. All Account statements may be sent monthly, but no less than quarterly. Transactions on your Account, including any deposit, share issuance, withdrawal,

transfer, payment of dividends, or interest and imposition of applicable fees, will appear on your statement. You agree that the following information is sufficient to allow you to reasonably identify items paid and that we do not need to provide any other information in the statement except for the following: item number, amount, and date of payment.

You are responsible for examining each statement and any copy or record of your checks. You agree to carefully examine and reconcile each statement and report any irregularities to us.

You are also in the best position to discover unauthorized signatures or endorsements, or a material alteration of any check or other item. You agree to exercise reasonable care and promptness in examining each statement and item and to promptly notify us within 30 days of the statement mailing date of any forgery, alteration, or other problem. We are not liable if you do not comply with the foregoing; we are also not liable for items forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a signature stamp or other equipment that can replicate a signature. You agree that your original checks will not be returned to you. Microfilm or image copies will be available (for seven years) upon your request without charge (for a certain number) or for a fee, as stated in the Consumer Account Disclosure. You agree that our retention of checks does not alter or waive your responsibility to examine your statements or the time limits for notifying us of any errors. The statement will be considered correct for all purposes and we will not be liable for any payment made or charge to your account unless you notify us in writing within 30 days of the statement mailing date.

## **20. Termination or Suspension of Account**

We may suspend or 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:

- a. There is a change in Account Holders or Authorized Signers;
- b. A forgery or fraud has been alleged or committed involving your Account;
- c. We become aware of any dispute or claim alleged with respect to the funds in transactions regarding, or ownership or other rights in or to, the Account;
- d. Any Account checks are lost or stolen;
- e. There is an unacceptable number or amount of overdrafts not covered by an automatic overdraft protection plan transfer;
- f. It appears that there has been or may be any misrepresentation regarding or any abuse of your Account;
- g. You cause a loss to BECU;
- h. Termination or suspension is required or allowed under our bylaws or applicable law; or
- i. We determine that any Account Holder or Authorized Signer is participating in a restricted industry identified by BECU.

Suspensions may take the form of a temporary or permanent "hold" or "freeze" on your Account at our discretion. We are not responsible for payment of any check, withdrawal, POS transfer, ATM/debit card transaction, ACH transaction, Online or Mobile Banking transaction, or other item once your account is terminated. If we terminate your Account, we will mail to the Primary Member all funds in the Account, less any obligations owed to BECU by any Account Holder. You agree to use all Accounts only in compliance with applicable law and that we may restrict or cancel services or terminate the Account if we believe any Account Holder or Authorized Signer is not doing so.

## **21. Termination of Membership**

An authorized individual may terminate your membership with BECU after giving written notice to withdraw from membership. We are not liable for payment on any check, withdrawal, or other item once your membership is terminated. You may be expelled from membership for any reason allowed by our bylaws or applicable law, including causing a loss to BECU.

## **22. Inactive and Abandoned Accounts**

If for a period of 12 months on a Checking Account or a period of 24 months on a Savings, Money Market, or matured Certificate of Deposit Account there has been no deposit to, withdrawal from, or transfer from the Account, or if you have not contacted us regarding the Account in person, over the phone, in writing, or by way of Online Banking, Mobile Banking, or ATM, we may classify the Account as an Inactive Account and may charge an Inactive Account service fee as set forth in the Consumer Account Disclosure. Thereafter, we may cease to pay interest or dividends on the Inactive Account unless otherwise required by applicable law. We will notify you

at the last address of the Primary Member shown on our account records three months before imposing any fee. Accounts will continue to incur any monthly maintenance or other applicable fees until closed or terminated. You hereby authorize us to transfer funds from your available Account to cover these fees as necessary. If your Accounts become inactive and presumed abandoned as provided by applicable state law, any available funds in the Account will be turned over to the state in accordance with that state's law. Once funds have been turned over to the state, we have no further liability for the funds, and if you choose to reclaim them, you must apply to the appropriate state agency.

### **23. Death of a Member**

Upon the death of an Account Holder, funds are payable to the surviving Joint Account Holders (if any) or others in accordance with the Account Agreements and applicable law. We may require the survivor or other claimant to the Accounts to produce certain documents before releasing funds. We may continue to honor all transfers, withdrawals, deposits, delivery of funds for your Accounts, and other transactions on the Accounts until we learn of the death. Once we learn of the death, we may pay checks or honor other payments or transfer orders authorized by the deceased for a period of 10 days unless we receive instructions from an authorized individual to stop payment on the checks or other items. You agree that we can require anyone who claims funds in your Account after your death to indemnify BECU for any losses resulting from honoring that claim. If the deceased Account Holder was the Primary Member, we may require closure of the Account or transfer of the funds to any active Account of another Account Holder who would qualify as a Primary Member.

### **24. Indemnity**

If you ask us to follow instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require a bond or other protection. An example of the kind of protection asked for is your promise to defend BECU and hold it harmless from and against any claims and pay all attorney fees and costs associated with the defense.

You agree to indemnify BECU and hold it harmless from and against all costs, including attorney fees, damages, and claims, related to BECU's actions if BECU is unable to post funds to an Account under certain circumstances, including but not limited to the following:

- a. BECU's closing of the Account;
- b. Your or any payee or endorsee's raising of a claim regarding the Account; or
- c. BECU's failure to cancel or process an item as a result of incorrect information provided by you.

### **25. Waiver**

Any waiver of any term or condition stated in the Account Agreements must be in writing and signed by an officer of BECU and will not be considered a waiver of any future or other obligation or right.

### **26. Severability**

If any provision or portion of the Account Agreements is held by a court to be invalid or unenforceable for any reason, the other provisions and portions will remain valid and enforceable and will continue in full force and effect.

### **27. Governing Law; Bylaws**

The Account Agreements are governed by the bylaws of BECU, federal laws and regulations, the laws and regulations of the state of Washington, and local clearinghouse rules, all as amended from time to time. Any disputes regarding the Account Agreements must be brought in and are subject to the jurisdiction of a court in King County, Washington. You agree to be bound by all terms and conditions of our bylaws, as amended from time to time. Notwithstanding other provisions, you agree that changes in the bylaws will be effective when approved by our Board of Directors, even if you do not receive prior notice.

All Accounts opened with BECU are subject to all applicable laws, including federal law and regulations of the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Washington Financial Institutions Individual Account Deposit Act. In addition to our rights contained in the Account Agreements, we have all rights of a financial institution under that act and under all other applicable laws and regulations.

### **28. Enforcement**

In addition to the other costs and fees due under the Account Agreements, you agree to pay upon demand any costs and fees we incur in enforcing the Account Agreements, including but not limited to attorney fees and costs, including those incurred with or without suit, on appeal, in bankruptcy proceedings, and in any



postjudgment collection actions, if applicable.

### **29. Credit Report Direct Disputes**

If you have a direct dispute with us regarding your liability for a credit account or other debt, terms of a credit account or other debt, your performance or other conduct concerning an account, or any other information contained in a consumer report regarding a BECU account or relationship that bears on your creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, provide your direct dispute to us at the following address:

BECU  
Credit Reporting Disputes  
Mailstop 1082-1  
P.O. Box 97050  
Seattle, WA 98124

Include the following in your direct dispute:

- a. Sufficient information to identify the Account or relationship that is in dispute, including the Account number and your name, address, and date of birth;
- b. Specific information that you are disputing and an explanation of the basis for the dispute; and
- c. All supporting documentation or other information reasonably required to substantiate the basis of your dispute (e.g., a copy of the consumer report containing the allegedly inaccurate information, a police report, affidavits, court order, or Account statements).

## **II. FUNDS AVAILABILITY POLICY**

### **1. Your Ability to Withdraw Funds**

We are providing this disclosure to help you determine when funds from the cash, checks, and other items deposited into your Checking Account(s) are available for withdrawal.

- a. Unless otherwise indicated below in section 2(a), "Exception Holds," or 2(b), "Account Status," our policy is to make funds from cash and check deposits available on the same business day we receive them. Once the funds are available, they can be withdrawn, and we will use them to pay items debiting your Account. In some cases, we will not make all the funds deposited by check available on the same business day that we receive them. If funds are deposited directly with a BECU employee and we are not going to make all the funds available on the day of receipt, we will provide notification at that time and will tell the authorized individual when the funds will be available. If the funds are not delivered directly to a BECU employee, the funds are not deposited by an authorized individual, or we decide to take this action after you have left BECU's premises, we will mail you a notice by the business day after we receive the deposit. If you need the funds right away, you should ask when they will be available.
- b. For determining funds availability, every day is a business day, except Saturdays, Sundays, and federal holidays.
- c. For deposits made by ACH, wire, Mobile Banking, Online Banking, EFTs, ATMs, drop boxes, or mail, please see section 4 below.

### **2. Delays May Apply**

#### **a. Exception Holds**

Funds delivered to us may be delayed for a longer period if:

1. We believe a check will not be paid;
2. You present checks for credit to your Checking Account totaling more than \$5,000 on any one day;
3. You present a check that has already been returned unpaid;
4. You have overdrawn your account repeatedly in the last six months; or
5. There is an emergency, such as failure of communication or computer equipment.

We will notify you if your ability to withdraw funds is delayed for any of these reasons and will tell you when the funds will be available. Your funds will generally be available no later than the fifth business day after the original day of availability. Please remember that although funds may be available and they are

withdrawn, you are still responsible for any problems associated with collection or presentment, such as a deposited check that was returned to us unpaid. If you have any questions about the availability of funds from a particular check, please contact us.

#### **b. Account Status**

New Members' Accounts will be subjected to sections 2(a), 3, and 4, and Specific Funds Availability as indicated in section 2(c), for up to 90 days. If you are not a member in good standing, your Account may be subject to sections 2(a), 3, and 4, and Specific Funds Availability as indicated in section 2(c), until your membership standing improves. We will determine your membership standing based on our analysis of your Account history, your overall relationship with us and your credit score. If your account history with BECU meets any of the following conditions, your account will be subjected to sections 2(a), 3, and 4, and Specific Funds Availability as indicated in section 2(c), for one year:

1. Past Due status on a loan in a 12-month period;
2. Six or more NSF items in a 12-month period;
3. Two or more ATM deposits with empty envelopes in a 30-day period;
4. A Returned Deposit because of counterfeit, lost or stolen item, closed account, forgery, or bogus check;  
or
5. A Returned Deposit for which the account holder was the maker.

#### **c. Specific Funds Availability**

Funds deposited with a teller and payable to you from the U.S. Treasury, Federal Reserve Bank, or Federal Home Loan Bank, checks drawn on BECU, cashier's, certified, or teller's checks, and postal orders payable to you will generally be made available the first business day following the business day of the deposit. Other checks will generally be made available as follows: At least the first \$200 of the total combined daily deposit(s) to your Account(s) will generally be made available on the business day of deposit and the remaining funds will generally be made available on the second business day after the day of deposit. Funds that are being held may not be used to pay items presented for payment. After funds have been withdrawn from your Account, you remain responsible and liable for checks that were deposited to your Account that are returned to us unpaid and for any other problems involving your Account.

### **3. Special Rules for New Accounts**

The following special rules may apply during the first 30 days that your Account is open.

Funds from an electronic direct deposit to your account will be available on the day we receive the deposit. Funds from a deposit of cash, wire transfer, 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 after the day of your deposit if the deposit meets certain conditions. (For example, the checks must be payable to you and you may be required to use a special deposit slip.) The excess over \$5,000 will be available on the ninth 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 generally be available on the fifth business day after the day of your deposit.

### **4. Electronic Direct Deposits and Deposits at ATMs, at Drop Boxes, and via Mail**

- a. ACH and wire direct deposits will be available on the first business day on which we receive the deposit.
- b. Subject to section 2(b), all funds deposited by use of Mobile Banking, Online Banking, a BECU-owned ATM, a Drop Box, or the mail will be combined with all deposit(s) made to your Account(s) on that day and generally will be available on the second business day after the business day of your deposit. Funds deposited (including cash or checks) at a non-BECU-owned ATM, or to one of our shared branches, will be combined with all deposit(s) made to your Account(s) on that day and generally will not be available until the fifth business day after the business day of your deposit(s). But at least the first \$200 of the total daily deposit(s) to your Account(s) will be available on the day of deposit.
- c. For determining funds availability, every day is a business day, except Saturdays, Sundays, and federal holidays. For deposits made at an ATM, if you deposit funds before 3:00 p.m. on a business day, then it is considered the day of deposit. If you deposit funds after 3:00 p.m. or on a non-business day, however, we will consider the day of deposit to be the following business day.

### III. ELECTRONIC FUNDS TRANSFER SERVICES

The following outlines your and BECU's rights and responsibilities when you use EFT services offered or accepted by BECU for the transactions listed.

#### 1. Services Offered or Accepted by BECU

##### a. ATMs

BECU's ATM and debit cards may be used at ATMs and facilities that display the logos shown on your card and other such machines or facilities as we may designate that are part of BECU's extensive network. You may use your ATM or debit card to do the following\*:

1. Withdraw cash;
2. Make deposits;
3. Transfer funds between your Accounts;
4. Verify Account balances; and
5. Make purchases.

\* Some of these services may not be available at all ATMs.

Notice regarding ATM fees by others: If you use an ATM that is not operated by BECU, you may be charged a fee by the operator of the machine and/or by an automated transfer network.

##### b. ATM and Debit Card Transactions

You may use an ATM card for deposits, for withdrawals, and to verify Account balances. You may use a debit card and PIN to purchase goods and services from merchants that participate in certain EFT networks and have agreed to accept your card as a means of payment.

If you have a debit card with the Mastercard logo, you may purchase goods and services from merchants that accept Mastercard and you may also obtain cash advances from your linked BECU Checking or Savings Account at other financial institutions participating in the Mastercard program.

You may set recurring payments or store your debit card information with merchants or other debiting parties. When changes are made to your Accounts or debit card, for example your debit card number has been changed or the expiration date has been updated, BECU may use Mastercard's Automatic Billing Updater (ABU) services to provide your updated debit card information on your behalf to participating merchants or debiting parties. This means that if you ever decide to stop automatic bill payments or debits from your account through your debit card, you must contact the merchant or debiting party directly and cancel the payment or debit. If you do not contact the merchant or debiting party to cancel the payment or debit, your updated debit card may be used by the merchant or debiting party.

BECU reserves the right to terminate or suspend, or reinstate, the functioning of the ABU service at BECU's discretion for any reason whatsoever, at any time, and without prior notice to debit card holders. If you wish to opt-out of the ABU service and to block all participating merchants or debiting parties from receiving your new debit card information, please call us at 800-233-2328. Your opt-out request will be completed within 5-7 business days upon receipt.

##### c. Telephone Banking

Telephone Banking is BECU's Integrated Voice Response touch-tone telephone service that allows you to do tasks such as the following:

1. Transfer funds between your Checking, Savings, and Line of Credit Accounts;
2. Make loan payments;
3. Find out which checks have cleared; and
4. Verify your Account balances.

In order to access Telephone Banking, you must request access from BECU, which may be accepted or rejected at BECU's discretion. To terminate access to Telephone Banking, contact BECU in person, by telephone, or by letter and identify the Account that you no longer want to access by Telephone Banking. If you fail to identify the specific Account that you no longer want to access by Telephone Banking, BECU may terminate Telephone Banking access to all your BECU Accounts.

**d. ACH Deposits and Withdrawals**

ACH allows you to establish preauthorized deposits and withdrawals from your BECU Account. This service allows you to pay or receive reoccurring payments.

We will process ACH transactions throughout the day, which may include debits and credits. You must keep sufficient funds in your Accounts at all times because debits and credits may occur throughout the day. We may receive multiple deposit or credit and withdrawal or debit transactions on your accounts in many different forms throughout each day. If a withdrawal or debit occurs when there are insufficient available funds, you may be charged an NSF fee whether that transaction is processed or not. Although any subsequent deposit or credit transactions made later that same day may bring the available account balance above \$0.00, the prior NSF fee will remain on the account. The best way to know how much money you have available to spend, and to avoid paying NSF fees, is to record and track all your transactions closely.

**e. Online Banking/Mobile Banking**

Online Banking is BECU's service that allows you to access your account by way of a personal computer or a mobile device, and Mobile Banking allows access by way of a mobile device or tablet to do tasks such as the following:

1. Transfer funds between accounts;
2. Make payments; and
3. View the history of your Savings and Checking Accounts and BECU loan accounts.

In order to access Accounts through Online Banking or Mobile Banking, you must request access from BECU, which may be accepted or rejected at BECU's discretion. To terminate access to Accounts through Online Banking or Mobile Banking, contact BECU in person, by telephone, or by letter and identify the account that you no longer want to access by Online Banking or Mobile Banking. If you fail to identify the specific account that you no longer want to access by Online Banking or Mobile Banking, BECU may terminate Online Banking or Mobile Banking access to all your BECU Accounts.

**f. Electronic Check or Draft Conversions/Electronic Returned-Check Fees**

Your check or draft can result in an EFT. For example:

1. You can purchase goods or pay for services and authorize a merchant or service provider to convert your check or draft to an EFT.
2. At the time you offer a check or draft to a merchant or service provider, you may be asked to authorize the merchant or service provider to electronically collect a charge if the check or draft is returned unpaid. Paying such a fee electronically is an EFT.
3. Any draft or check you give to BECU may be processed as an EFT, and funds may be withdrawn from your Account as soon as the same day on which we receive your check. You authorize BECU to convert such an item and make the EFT.
4. If any draft or check you have given to BECU is returned or not paid for any reason, whether or not it has been processed as an EFT, you authorize BECU to collect a returned-item fee as set forth in the Consumer Account Disclosure and to collect the fee either by charging any of your Accounts or by processing the fee as an EFT from the account on which the unpaid draft, check, or EFT was drawn. Your authorization to make these types of EFTs may be expressed by you orally, in writing, or electronically or implied through provision or posting of a notice that the transaction may be processed as an EFT and your completion of the transaction.

**2. Limits on Services**

The following dollar amounts may apply in using the services listed above and are limited by the available balance in your Checking, Savings, Money Market, or Line of Credit Account, less any outstanding checks, items, EFTs, or ATM/debit card authorizations not yet received or processed by us:

**a. ATM Transactions**

The maximum combined amount that ATM card holders may withdraw from your Account(s) through ATM(s) is at least \$500 per day. This includes combinations of Savings, Checking, and Money Market withdrawals and cash-back withdrawals made via POS transactions. Your actual daily withdrawal limit will be disclosed at Account opening, and if these limits change.

**b. Debit Card Transactions**

The maximum combined amount that debit card holders may purchase through POS-based transactions is at least \$1,500 per day. This includes combinations of Savings, Checking, and Money Market withdrawals.

**c. Online Banking/Mobile Banking Transactions**

The daily and monthly maximum combined amounts that Online and Mobile Banking users may transfer from your Account(s) through Online and Mobile Banking are disclosed in the applicable terms and conditions governing each of those services.

**d. Number of Transfers**

ACH withdrawals from your Savings Account and transactions made through Online Banking, Automatic Overdraft Protection, or Telephone Banking that would transfer funds from your Savings Account to another Account of yours or to a third party cannot exceed more than six occurrences per calendar month. If you exceed these limitations, we may charge a fee, your transaction requests may be denied, and we may close your Accounts.

**e. Account Security**

If we have reason to believe that your ATM or debit card, PIN, Online Banking, or Mobile Banking (or any other) authorization code has been compromised, we need not give prior notice if an immediate change in your Account accessibility is necessary to maintain or restore the security of your Account or the EFT system.

**3. Fees**

**a. EFT**

b. Any charges for the individual services listed under this section III “Electronic Funds Transfer Services” , other than the foreign transaction fee indicated below in paragraph (d) are disclosed on the Consumer Account Disclosure, or other applicable agreements between you and BECU.

**c. Online and Mobile Banking**

Terms and conditions, fees, and other information for any other EFT available through Online and Mobile Banking, are described in the separate terms and conditions, agreements, and disclosures for those services.

**d. Stop Payment**

A fee as set forth in the Consumer Account Disclosure will be assessed and charged to your Account for each stop-payment request you make. You may not stop payment for any POS transaction or other ATM or debit card transaction once you have completed your transaction.

**e. Foreign Transactions**

When using your debit or ATM card for international transactions, purchases, or cash withdrawals, you will be billed in U.S. dollars. If at the time of your transaction you elect for Mastercard/Plus to convert the amount into U.S. dollars for billing purposes, the amount of the charge in foreign currency will be converted into a U.S. dollar amount by multiplying the foreign charge amount by the processing day’s government-mandated conversion rate or the processing day’s Mastercard/Plus wholesale exchange rate. This rate may differ from the rate in effect when the transaction occurred or when it was posted to your account. Subject to Mastercard/Plus’s operating regulations or conversion procedures in effect at the time the foreign transaction is processed, Mastercard/Plus may assess a currency conversion fee equal to .020% of the transaction amount. This fee is shown on your account statement as part of the transaction amount. BECU will refund Mastercard/Plus’s currency conversion fee within three business days of the posted transaction (the actual date on which we post the refund will be subject to the transaction’s posting date and processing cutoff times). The refund will be posted as a separate transaction deposited in the account charged for the original transaction. Paying the fund to you will be contingent on your account being open at the time of refund.

**4. Receipts and Notices**

You will receive receipts and notices according to the types of services you use, so you will have a record of your EFTs.

**a. Receipts**

You can receive a receipt at the time your transaction is completed if you use any of the ATM, POS, or other debit transaction services. Save the receipt for your records.

**b. Notices**

Any notice required or appropriate will be sent to the address on record at BECU. Notices may be included with Account statements, BECU publications, or other BECU mailings. If you have agreed to accept electronic communications from us, we may send notices to you by email or other electronic means.

**5. Stopping Preauthorized ACH Transfers or Reporting Errors for ACH Transactions**

To stop payment of a preauthorized ACH transfer to or from any of your accounts, to ask whether we have received a direct deposit, to report ACH errors, and to ask other ACH questions, you may do the following:

**Call us at:**

206.439.5700 or

Toll-free at 800.233.2328 (toll-free)

**BECU phone business hours**

7:00 a.m.-7:00 p.m. PST Monday-Friday

9:00 a.m.-1:00 p.m. PST Saturday

**Write us at:**

BECU—Account Servicing

P.O. Box 97050

Seattle, WA 98124-9750

**a. Stopping Preauthorized ACH Transfers**

If you have told us in advance to make regular payments out of your Accounts, you can stop any of these payments. You can also stop a preauthorized ACH debit transfer originating from another party. To stop any of these payments, contact us in person, by telephone, or by correspondence, using the telephone number and address given above. You must provide us your Account number, the exact dollar amount, and the name of the party that will debit your account. We must receive your request in time for us to act on it at least three business days before the transfer is scheduled to be made. If you call, we may also require you to put your request in writing as confirmation, so that we receive it within 14 days after you call. A fee may be assessed for each stop-payment request for a preauthorized ACH debit originating from another party as set forth in the Consumer Account Disclosure. The fee will be debited from your Checking Account. If you follow these instructions and we are unable to stop the preauthorized payment or credit transfer, we will be liable for your losses or damages in accordance with the law. In no case will we be liable for any special, consequential, or punitive damages.

**b. Errors and Questions About Account Statements or Receipts**

If you think your Account statement or receipt is wrong or if you need more information about a transfer listed on your statement or receipt, contact us in person, by telephone, or via correspondence, using the telephone number and address given above. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared.

1. Tell us your name and Account number.
2. Describe the error or the transaction that you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount and the date of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will tell you the results of our investigation within 10 business 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. If we decide to do this, we will provisionally credit your Account within 10 business days 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 our investigation. If we ask you to send us your question or complaint in writing and we do not receive it within 10 business days, we may not credit your Account. For errors involving new Accounts, POS, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question.

For new Accounts, we may take up to 20 business days to credit your Account for the amount you think is in error. If we determine that there is not an error, we will send you a written explanation within three business days after we finish our investigation and debit the provisional credit, as stated above. You may ask for copies of the documents that we used in our investigation.

## 6. Disputes With Merchants Concerning Goods and Services

You agree to settle all disputes about purchases of goods and services you make using your debit card with the merchant that honored the card. If you are unable to settle the dispute with the merchant, we will attempt to help resolve the dispute if you send us a letter in which you:

- a. Tell us your name and Account number.
- b. Tell us the date, the amount, and why you are disputing the transaction, including the merchant's name and location; and
- c. Provide written confirmation of your attempt(s) to contact the merchant and resolve the dispute.

This does not affect your rights with respect to unauthorized transfers or errors regarding your Account.

## 7. Loss or Theft of Your Card or Unauthorized Use of Your Account Through Electronic Means

Contact us immediately, any time of day and any day of the week, if you believe:

- a. Your ATM or debit card has been lost or stolen or your PIN or Online or Mobile Banking authorization codes have been stolen;
- b. A transfer has been made using the information from your checks without your permission; or
- c. Someone has withdrawn or may withdraw money from your account without your permission.

### Call us at:

206.439.5700 or  
Toll-free at 800.233.2328

### BECU Phone Business Hours

7:00 a.m.-7:00 p.m. PST Monday-Friday  
9:00 a.m.-1:00 p.m. PST Saturday

### Evenings or Weekends

Prerecorded message will provide after-hours contact information.

### Write us at:

BECU—Account Servicing  
P.O. Box 97050  
Seattle, WA 98124-9750

You are responsible for all transfers you authorize using your ATM or debit card, PIN, or authorization code to access your Accounts under this Agreement. If a card holder permits other persons to use an ATM or debit card, PIN, or authorization code linked to your Accounts, you are responsible for any transactions authorized or conducted by the persons using the ATM or debit card, PIN, or authorization code. But tell us AT ONCE if you believe that anyone has used your card, PIN, or authorization code or has accessed your Accounts without your authority. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum Line of Credit). If you tell us within two business days after you learn of the unauthorized use of your Account or card, you can lose no more than \$50 if someone used your Account or card without your permission. If you do NOT tell us within two business days after you learn of the unauthorized use of your Account or card, and we can prove that we could have stopped someone from accessing your account without your permission if you had told us, you could lose as much as \$500. If your account statement shows EFT transactions that you did not make, tell us AT ONCE. If you do not tell us within 60 days after the statement was made available to you, you may be liable for all other unauthorized EFT transactions up to the full amount of the loss if we can prove that we could have stopped someone from making the transfers if you had told us in time.

## 8. Unauthorized Mastercard Debit Card Purchase Transactions

If you notify us of your lost or stolen card within 24 hours of discovery and meet certain conditions, you may not be liable for any losses. This zero liability will apply only if:

- a. You can demonstrate that you have exercised reasonable care in safekeeping your card from risk of loss or theft;
- b. You have not reported two or more incidents of unauthorized use to us within the preceding 12 months; and
- c. Your account is in good standing.

If you notify us of your lost or stolen card after 24 hours of discovery or do not satisfy the conditions set forth above, your maximum liability for losses to your account may be up to \$50. These liability limits will apply, as long as you did not receive a benefit or the unauthorized use of your card was by someone without actual, implied, or apparent authority; otherwise, the liability limits set forth may apply.

#### **9. BECU's Liability if Transfers or Transactions Are Not Made as Agreed for Consumer Accounts**

If we do not complete a transfer to or from your Savings, Checking, or Line of Credit Account in the correct amount according to our agreement with you, we will be liable for your losses or damages. But there are some exceptions. We will not be liable, for instance, if:

- a. Through no fault of ours, you do not have enough money in your Account to make the transfer.
- b. The transfer exceeds the limit on your Line of Credit or Home Equity Line of Credit.
- c. The transfer exceeds the six-per-month limit on Telephone Banking, Online Banking, and automatic overdraft transfers from your Savings Account.
- d. The ATM where you are making the transaction does not have enough cash.
- e. The terminal does not work properly.
- f. Circumstances beyond our control (such as natural disasters, acts of God, or war) prevent the transaction, despite reasonable precautions we have taken.
- g. The error is caused by a system of an affiliated network and/or business partner or other machine or facilities that we may designate. There may be other exceptions stated in our agreement(s) with you.
- h. Any other financial institution or any other merchant or business refuses to honor your ATM or debit card.

#### **10. Disclosure of Account Information**

We regard your business with us and information about your account as confidential. But BECU may disclose information to third parties regarding your account or transfers under the following special circumstances and in accordance with our Privacy Policy:

- a. When it is necessary for completing transfers;
- b. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;
- c. In order to comply with government agency or court orders;
- d. If you gave us your written permission.

#### **11. BECU's Business Days**

Our business days are Monday through Friday, excluding legal holidays.

#### **12. Termination of the Account Agreements**

We agree that you may terminate EFT services at any time by giving written notice, stopping the use of any access code or PIN, and returning to us all cards issued for your Accounts. You also agree to notify any participating merchants that authority to make bill-payment transfers, or any other preauthorized transfer arrangement, has been revoked. We may terminate EFT services at any time by notifying you orally or in writing. Whether you or BECU terminates EFT services, the termination will not affect your obligations under the Account Agreements for any EFTs made before termination.

#### **13. General Safety Precautions When Using ATMs**

##### **a. General Safety**

1. Be aware of your surroundings. Avoid poorly maintained or poorly lighted locations. If you see anyone or anything suspicious, leave the area immediately.
2. Be aware of your surroundings when using an ATM or night deposit facility after dark.
3. Be prepared. Have your card ready before approaching the ATM.
4. Shield the ATM keyboard with your body so that others cannot observe you entering your PIN.
5. Cancel the transaction and put away your card if a suspicious situation develops.
6. Put away your money and receipt right after the transaction is complete. Count the cash later.
7. If you are followed after leaving an ATM, go to a heavily populated, well-lighted area and call the police.



**b. At Drive-Up ATMs**

1. While waiting in line, keep the engine running, the doors locked, and the windows up.
2. Leave enough room between cars to allow for a quick exit, if necessary.

**c. Card Smart Tips**

1. Memorize your PIN. Never write it on your card or anything that you carry with your card.
2. Never tell your PIN to anyone.
3. Be wary of giving out account information over the phone.
4. Do not withdraw money for an "official" person. No official would ask you to withdraw money for any reason.
5. Keep your transaction receipts and verify each one against your statements. If you find an unexplained transaction, notify immediately.
6. Report a lost or stolen card to us as soon as you discover that it is missing.

**IV. RULES REGARDING CERTAIN FUNDS TRANSFERS**

Certain transfers of funds in or out of your Accounts are governed by federal Regulation J, rules of the National Automated Clearing House Association (NACHA), or the Electronic Funds Transfer Act. Generally, these are business-purpose wire transfers that you ask us to make from your Accounts or someone else asks a bank to make to your Account. Some transfers of funds between your Accounts may also be governed by these rules.

**1. Law Governing ACH Transactions**

We may accept payments to your Account that have been transmitted through one or more ACH transactions that are not subject to the Electronic Funds Transfer Act. Your rights and obligations with respect to such payments are subject to NACHA operating rules applicable to ACH transactions involving your Account.

**2. Law Governing Wire-Transfer Transactions**

We may accept payments to your Account that have been sent by Fedwire (an electronic payments system operated by the Federal Reserve System), or we may send a payment from your Account through this system to someone else if you ask us to send a funds transfer. Your rights and obligations with respect to payments that involve Fedwire will be governed by federal Regulation J.

**3. Specific Rules and Regulations**

You agree to abide by the rules and regulations that we, the Federal Reserve System, and various automated clearinghouses have established for originating or accepting funds transfer. These rules and regulations are amended from time to time, and you agree to abide by these amendments in order to use or accept the funds-transfer services offered by BECU.

**4. Notice of Receipt of Payment**

Under NACHA rules, we are not required to give next-day notice to you of receipt of an ACH funds transfer. You expressly agree that we do not need to give you next-day notice of the receipt of any funds transfer accepted on your behalf, whether governed by NACHA rules, Regulation J, or other law. Instead, we will notify you of the receipt of ACH transfers in your periodic statements. Additionally, you may call us for funds-transfer information or access your current Account information by using Telephone Banking or Online Banking.

**5. Provisional Payment Only**

Credit that we give you with respect to any funds-transfer credit entry is provisional until we receive final settlement for the entry. If we do not receive final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with the entry. In that instance, the originator of the funds transfer (the party making payment to you) will be deemed not to have paid you the amount of the entry.

**6. Reliance on Account Number**

When processing an ACH funds transfer, we will rely on the account number or other identifying number transmitted with the funds transfer even if the number identifies a person different from the named beneficiary. When processing a wire funds transfer, we will rely on the account number or other identifying number and the

beneficiary's name transmitted with the funds transfer.

**7. Reliance on Routing Number**

If you give us a payment order requesting a funds transfer that identifies any bank in the funds transfer by name and by a routing number or other identifying number, a receiving bank in the funds-transfer chain may rely on that number as the proper identifying number even if it identifies a bank different from the named bank.

**8. Declared Dividend/Interest Rate**

You agree that if we are obligated to pay you dividends/interest under laws governing funds transfers, the rate of dividends/interest to be paid is the rate of dividends/interest paid on either:

- a. The BECU account from which the funds were transferred or should have been transferred; or
- b. The BECU account to which the proceeds of the funds transfer were credited or should have been credited.

**9. Security Procedures**

You agree that we may use security procedures to detect unauthorized requests for funds transfers before accepting your request. We will not use such security procedures for transfers between your accounts with us unless we specifically agree with you to do so.

These security procedures, which you agree are commercially reasonable, will be either a callback or a request for personal photo identification (such as a driver's license) or some other industry standard procedure. Your use of any security procedure constitutes your additional agreement to its use and your acceptance of it as a commercially reasonable procedure. You agree that we may vary the security procedure depending on the amount and type of funds you request transferred or the method you use to make the request. You agree that if we act in good faith on your request for a funds transfer in compliance with these security procedures, the transfer will be treated as an authorized funds transfer, whether or not actually authorized by you

FEDERALLY INSURED BY THE NCUA  
BECU 6514 AUGUST 2018

800.233.2328  
**becu.org**

**PO Box 97050, Seattle, WA 98124-9750**

# Exhibit B



## BECU CONSUMER ACCOUNT DISCLOSURE

Boeing Employees' Credit Union (BECU) is one of the nation's leading not-for-profit credit unions. We are committed to offering better rates, fewer fees and more affordable financial services. Learn more about BECU membership at [becu.org](http://becu.org).

The following deposit product information is applicable to consumer accounts at BECU as of the effective date shown below. BECU may add to or change the rates and fees contained in this schedule from time to time. Each Primary Member, Joint Account Holder, Authorized Signer, and authorized user of the account agrees to the terms and condition in the Consumer Account Disclosure and acknowledges that it is a part of the Account Agreements.

### Rate Schedule Effective August 1, 2019

#### Member Savings & Checking

	Balance Requirement	Dividend or Interest Rate (%)	Annual Percentage Yield (APY) (%)
<b>Member Advantage Savings*</b>	\$0.00 to \$500.00	6.00	6.17
	\$500.01+	0.10	0.10
<b>Member Advantage Checking</b>	\$0.00 to \$500.00	4.00	4.07
	\$500.01+	0.05	0.05
<b>Early Saver (under age 18)*</b>	\$0.00 to \$500.00	6.00	6.17
	\$500.01+	0.10	0.10
<b>Member Share Savings*</b>		0.10	0.10
*Establishing membership requires a Member Advantage Savings, an Early Saver, or a Member Share Savings account be opened and maintained.			
<b>Savings</b>		0.10	0.10
<b>Checking</b>		0.05	0.05
<b>Variable IRA Savings</b>		0.10	0.10
<b>Health Savings Account (HSA)</b>		0.10	0.10
Available to BECU & IDX Employees			
<b>Money Market w/ Member Advantage</b>	\$0.00 to \$9,999.99	0.40	0.40
	\$10,000 to \$49,999.99	1.00	1.00
	\$50,000 to \$99,999.99	1.00	1.00
	\$100,000+	1.25	1.26
<b>Money Market</b>	\$0.00 to \$9,999.99	0.20	0.20
	\$10,000 to \$49,999.99	0.50	0.50
	\$50,000 to \$99,999.99	0.50	0.50
	\$100,000+	0.85	0.85

#### Certificate of Deposit (CD)

Term Ranges	\$500 – \$49,999.99				\$50,000 – \$99,999.99				\$100,000+			
			w/ Member Advantage				w/ Member Advantage				w/ Member Advantage	
	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)
3 – 5 month	0.25	0.25	0.75	0.75	0.30	0.30	0.80	0.80	0.30	0.30	0.80	0.80
6 – 11 month	0.30	0.30	0.75	0.75	0.35	0.35	0.80	0.80	0.35	0.35	0.80	0.80
12 – 17 month	1.20	1.21	1.75	1.76	1.25	1.26	1.80	1.81	1.25	1.26	1.80	1.81
18 – 23 month	1.45	1.46	2.00	2.02	1.50	1.51	2.05	2.07	1.50	1.51	2.05	2.07
24 – 35 month	1.55	1.56	2.25	2.27	1.60	1.61	2.30	2.32	1.60	1.61	2.30	2.32
36 – 47 month	1.65	1.66	2.45	2.48	1.70	1.71	2.50	2.53	1.70	1.71	2.50	2.53
48 – 59 month	1.65	1.66	2.45	2.48	1.70	1.71	2.50	2.53	1.70	1.71	2.50	2.53
60 month	1.65	1.66	2.45	2.48	1.70	1.71	2.50	2.53	1.70	1.71	2.50	2.53
12 month bump	1.00	1.00	1.55	1.56	1.05	1.06	1.60	1.61	1.05	1.06	1.60	1.61
24 month bump	1.45	1.46	2.05	2.07	1.50	1.51	2.10	2.12	1.50	1.51	2.10	2.12
6 month Veterans Family Fund CD	0.30	0.30			0.35	0.35			0.35	0.35		

#### IRA Certificate of Deposit (CD)

Term Ranges	\$500 – \$49,999.99				\$50,000 – \$99,999.99				\$100,000 +			
			w/ Member Advantage				w/ Member Advantage				w/ Member Advantage	
	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)	Rate (%)	APY (%)
12 month	1.20	1.21	1.75	1.76	1.25	1.26	1.80	1.81	1.25	1.26	1.80	1.81
12 month bump	1.00	1.00	1.55	1.56	1.05	1.06	1.60	1.61	1.05	1.06	1.60	1.61
18 month	1.45	1.46	2.00	2.02	1.50	1.51	2.05	2.07	1.50	1.51	2.05	2.07
24 month	1.55	1.56	2.25	2.27	1.60	1.61	2.30	2.32	1.60	1.61	2.30	2.32
24 month bump	1.45	1.46	2.05	2.07	1.50	1.51	2.10	2.12	1.50	1.51	2.10	2.12
36 month	1.65	1.66	2.45	2.48	1.70	1.71	2.50	2.53	1.70	1.71	2.50	2.53
48 month	1.65	1.66	2.45	2.48	1.70	1.71	2.50	2.53	1.70	1.71	2.50	2.53
60 month	1.65	1.66	2.45	2.48	1.70	1.71	2.50	2.53	1.70	1.71	2.50	2.53

## Fee Schedule

As a not-for-profit credit union we are committed to offering fewer-to-no fees.

### Non-Sufficient Funds (NSF) Fees\*

NSF Fee	\$25.00 per transaction for which the available balance is not sufficient for checks and/or ACH payments; fee will be charged if check and/or ACH payment is paid or returned unpaid
NSF Fee – Uncollected	\$25.00 per transaction for which deposited funds are uncollected (on hold) and the available balance is not sufficient for checks and/or ACH payments; fee will be charged if check and/or ACH payment is paid or returned unpaid
NSF Fee – Transfer	\$25.00 per transaction for which the available balance is not sufficient to cover an automatic transfer payment of a BECU loan or line of credit
<b>Overdraft *</b>	\$25.00 per debit card transaction for which the available balance is not sufficient and the transaction is paid (Optional Courtesy Pay Overdraft Service for Debit Transactions Opt-In required before Overdraft fee will be charged)

\* A daily cap of up to five NSF Fees and Overdraft Fees combined will be charged, and a daily cap of up to five NSF Fees – Uncollected fees will be charged. No cap for NSF Fee – Transfer.

<b>Excess Transaction Fee</b>	\$20.00 per withdrawal that exceeds the Savings and Money Market Savings transaction limitation imposed by federal Regulation D		
<b>Copy Fee</b>	First 3 copies free, then \$2.00 for each additional copy.		
<b>Cashier's Check Fee</b>	\$3.00 for each check	<b>Research Fee</b>	\$15.00 per hour (minimum 1 hour)
<b>Merchant Lookup Fee</b>	\$15.00 per item	<b>Stop Payment Fee</b>	\$25.00 per order
<b>Wire Transfer Fee</b>	\$25.00 per Domestic outgoing wire transfer \$35.00 per International outgoing wire transfer \$0.00 per Domestic or International incoming wires		

## Truth in Savings Disclosure

### Rate Information

The interest rate, dividend rate, and APY on your accounts are shown on page one. Dividend rates and APY may change as determined by the Board of Directors, however the interest rate and APY are fixed for CD and IRA Certificates and will be in effect for the term of the account. The APY is based on an assumption that interest/dividends will remain on deposit for one year or until maturity.

### Nature of Dividends

Dividends are paid from current income and available earnings after required transfers to reserves at the end of your statement cycle. The dividend rates shown on page one are as of the last dividend declaration date. The account serving as the Member Share account earns dividends.

### Compounding and Crediting

Interest and dividends will be compounded and credited monthly per statement cycle for all applicable deposit accounts.

### Accrual of Interest and Dividends

Interest and dividends will begin to accrue on deposits when funds are posted to applicable account. For CDs, you may elect at account opening to have accrued interest transferred to a Savings or Checking account. This election will continue unless you notify us otherwise.

### Balance Information

The minimum balance required to open an account is stated on page one for applicable accounts. Interest and dividends are calculated by the daily balance method which applies a daily periodic rate to the principal in the account each day based on a 365-day year (366-day year during a leap year).

### Zero Dividend Accounts

No interest or dividends will be paid to any zero dividend account; regardless of any terms or conditions provided for by BECU.

### Transaction Limitations

You may make up to six (6) pre-authorized, automatic, telephonic, or Online Banking transfers between your own non-transaction (savings and money market) accounts or to a third party's account during a calendar month. If a transfer request exceeds the six (6) transfer limitation, we may refuse or reverse the transfer and may assess excess transaction fees and may close your account. Health Savings Accounts are exempt from this restriction.

### Member Advantage Accounts

Limit one Member Advantage Savings (MAS) and one Member Advantage Checking (MAC) account per person. May have multiple Member Advantage CDs and Money Market with Member Advantage (MMMA) accounts.

Open a MAS and MAC account, sign up for free monthly eStatements and make a monetary transaction each month using at least one of the following free and convenient services:

- **Debit MasterCard** make purchases online, over the phone or in person,
- **Online or Telephone Banking** – make BECU loan or Visa payments or transfer funds between BECU accounts,
- **Bill Payment** – pay businesses or individuals, or
- **Direct Deposit** – setup a recurring monthly deposit into your BECU Checking account from your paycheck or other monthly income.

In the event that you are not enrolled in the required services, your MAS, MAC, and MMMA accounts will be converted to Member Share Savings, Checking, and Money Market accounts respectively, thus earning rates applicable to such accounts.

**Note** – Member Advantage Accounts only available to members 18 and older.

### Early Saver

Limit one Early Saver Account per person. Requires you to be younger than 18 years old. Upon reaching 18 years of age, your Early Saver account will be converted to a Member Share Savings account, thus earning rates applicable to such account.

## CD and IRA Certificate Account Information

### Balance Information

\$500.00 opening balance but may be \$100 if the Add-To feature as described below is established.

### Maturity

Your CD and IRA Certificate accounts will mature within the term shown on page one or the maturity date shown on your monthly statement.

### Early Withdrawal Penalty

A penalty is imposed if you withdraw any of the principal before the maturity date.

### Amount of Penalty

For CD and IRA Certificate accounts, the amount of the early withdrawal penalty is based on the term of your account\* and is applied to the amount of principal withdrawn.

The penalty schedule is as follows:

- Terms up to and including 12 months: 30 days interest
- Terms greater than 12 months: 90 days interest

\*12 Month Term equals 365 days

### How the Penalty Works

The penalty is calculated as a forfeiture of part or all of the interest and may include principal.

### Exceptions to Early Withdrawal Penalties

At our sole discretion, we may pay the account before maturity without imposing an early withdrawal penalty if the following circumstances exist:

- The death of the account holder.
- No fee shall be charged for Required Minimum Distributions, as such term is defined by the IRS. In addition, no penalty shall be charged to the member in the event of premature distribution due to permanent disability, substantially equal periodic payments prior to 59 1/2 (IRS Code 72T exception), distributions to the member's beneficiaries in the event of death, a direct IRA to IRA transfer from a Variable IRA Savings, or conversion of an IRA account within BECU.

**Note** – CD accounts may not be pledged, are nontransferable and non-assignable, except as collateral for a loan at BECU.

### Renewal Policy

CD accounts will automatically renew for the same term at the interest rate in effect on the maturity date. A renewal notice will be sent to you at least 30 days prior to maturity. You will have a grace period of seven calendar days after the maturity date to select a different term, or withdraw the funds in the CD or IRA account without being charged an early withdrawal penalty.

### Bump Feature

If you have a CD account with a bump feature, you may at any time during the term of your CD, request that we raise your rate to the current BECU published rate for the equivalent term Bump CD. You will then earn that higher rate for the remainder of the term. You may only exercise this feature one time during the term of the CD. Promotional rates made available in special offers are excluded.

### Add-To Feature

At account opening, or during the renewal seven day grace period **only**, you may establish a pre-authorized automatic recurring transfer to your CD not to exceed a total of \$1,000 per month. The transfer amount cannot be increased during the term of your CD; however, it can be reduced or discontinued at any time. Qualifying, transfer amounts added to your CD will earn your CD's current rate. The preauthorized recurring transfer feature will be canceled if a withdrawal of principal is made during the term of the CD. Additional deposits to the CD outside the parameters of the "Add-To" feature described above are not allowed; any such funds received will be deposited into the Member's Primary Share Savings Account.

### Veterans Family Fund (VFF) CD

Requires a signed agreement authorizing BECU to forward at least 1/2 of the interest earned at maturity to VFF. IRS reporting will include the full amount of interest earned; however, the VFF will send you a receipt with the amount of your contribution for tax purposes.

Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency.