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## BUSINESS SHARE DRAFT (CHECKING) ACCOUNT DISCLOSURE

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

### Terms and Conditions

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

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

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

**Better Business Checking:** FREE on accounts that maintain a \$6,000 daily balance in the checking account or a combined minimum daily balance of \$12,000 in checking, share, and/or money market accounts (combined balance does not include certificate accounts).

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

### **\*\*Analyzed Business Account**

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

**Earnings Credit Calculation:** The earnings credit is calculated by applying the period earnings credit rate to the average daily collected balance in the account for the earnings credit period. Your average collected balance is calculated using your average ledger balance less the average uncollected balance. The periodic earnings credit rate is calculated by taking the previous month's average rate for the 91-day U.S. Treasury bill less 75 basis points. The periodic earnings credit rate can change monthly. The

earnings credit is then calculated by multiplying the periodic earnings credit rate by the average collected balance, divided by 365, then multiplied by the number of days in the statement cycle. The average uncollected balance is that portion of the total deposit for which we have not been credited by the Federal Reserve or other clearinghouse.

### **Monthly Transaction Activity Allowance**

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

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

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

**Better Business Checking:** 300 cleared or deposited checks. Deposit up to \$6,000 in cash. Up to 25 individual deposits.

#### **Analyzed Business Checking**

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

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

### **Accounts with Zero Balances**

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

### **Accounts with No Monetary Transactions for 365 Days**

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

### **Dividend Information**

No dividends will be paid on the Free Business Checking, Non-Profit Business Checking, Better Business Checking or the Analyzed Business Checking accounts.

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

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

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

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

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

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

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

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

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

### **Statement Cycles**

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

### **Change in Terms**

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

### **General Agreements**

1. You must open and maintain a business savings account.
2. The depositor(s) agrees to use the forms supplied by the credit union. The credit union reserves the right to return unpaid any other form of order presented or any form incompletely or defectively drawn.
3. All non-cash deposits are received and credited by the credit union subject to final collection. Please refer to our Funds Availability brochure.
4. The credit union may refuse to accept any deposit checks that appear to have been altered, that we believe are invalid, or nonnegotiable or that are not payable to the business.
5. We will make payments on current checks drawn on available funds in your checking account when signed by any person authorized on your business account application form or on supplemental credit union forms.
6. A post-dated check is a check dated later than the day it was actually presented for payment. We are under no obligation to hold a post-dated check and we reserve the right to process every item presented as if dated the same date received by us or our check processor unless you

give us notice as required under the UCC and a reasonable opportunity to act on it. A stale dated check is a check dated six months or more before the day it was actually presented for payment. We are under no obligation to pay a check on which the date is more than six (6) months old, but we may pay the check at our discretion. Except where the required notice is given, the account holder agrees not to hold the Credit Union liable for paying or denying payment of any postdated or stale dated checks.

7. Credit union bylaws permit the right to require 60 days written notice of your intention to withdraw or transfer shares.
8. The credit union reserves the right, at its sole discretion, to refuse to open a checking account or accept any further deposits to any existing checking account. The credit union also reserves the right, at its sole discretion and upon prior notice to the depositor, to discontinue or limit the practice of allowing withdrawals by check, draft, or other negotiable order. Any such prior notice shall advise the depositor that the credit union reserves the right after the date specified in said notice not to make payment on any checking account check, draft, or other negotiable order drawn on such account. After the date specified, the credit union shall not be obliged to make any payment from such account, except for the purpose of closing such account.
9. The credit union is not required to honor any restrictive or conditional legend or endorsement on a check you write unless the credit union has agreed in writing, signed by an officer of the credit union to the restriction or condition. An example of a conditional legend is "pay upon completion of work." Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000."
10. Withdrawals can also be made through the Credit Union's Call-24 telephone audio response. Authorized account signers may make withdrawals by ATM Card at designated ATMs or authorized point-of-sale (POS) terminals, or with a Debit Card at designated ATMs, POS terminals or Visa® authorized merchant and by Call-24 telephone audio response.
11. You will not receive canceled checks with your statement, although all checks are retained electronically for seven (7) years. Copies of checks are available on request. If you need a copy of an original check, the credit union will furnish a free copy of the first two checks requested for each statement period. Copies of checks beyond the first two checks requested are subject to a fee. Please refer to the Business Account Fee Schedule for current fees.
12. You must notify the credit union of any changes made to the businesses ownership.

### **Authorized Signers**

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

### **Stop Payments**

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

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

### **Overdraft and Line of Credit Protection**

Travis Credit union offers overdraft protection for your Business Checking account. This protection will help you avoid the inconvenience of overdrafts and returned checks. You can designate your business savings account for overdraft protection. If designated, the money will be transferred from your savings account to cover your checks or authorized payments in the lesser of \$100 or the available balance. However, federal regulations limit such transaction from your savings account to six (6) per month. If sufficient funds are not available in the savings account, either because funds are on hold or not on deposit, or you have already made the six transfers permitted per month, any checks drawn against non-sufficient funds may be returned unpaid. The following rules pertain to overdraft protection service:

1. If there are not sufficient funds in your business savings account, or you have already made six (6) transfers from your savings account for the month, we may return any checks presented for payment for reason of non-sufficient funds (NSF). However, in the case of returned deposited items, at our option we have the right to automatically resubmit checks without notification to you. We also have the right to offset a returned item with the proceeds of any other account in which you have an interest.
2. Transfer service must be from an account not subject to withdrawal limitation or penalties.
3. Items Returned Unpaid and Paid Items: If you have not selected overdraft protection or we cannot transfer funds from your savings account to cover a check, electronic debit, or other item drawn against non-sufficient or unavailable funds in your checking account we will either:
  - a. not pay the check, electronic debit, or other item drawn against non-sufficient or unavailable funds in your checking account, return the check, debit, or item, unpaid to the payee, and assess a Non-Sufficient Funds (NSF) Fee for each item; OR
  - b. pay the check, electronic debit, or other item drawn against non-sufficient or unavailable funds in your checking account and charge you a Non-Sufficient Funds (NSF) fee (this may result in an overdraft/ negative balance in your checking account). Please refer to our Business Account Fee Schedule.Standard Overdraft Practices are a non-contractual and discretionary service. It is not a loan. It may be refused on any checking account from time to time. The member does not have a contractual right to Standard Overdraft Practices, nor is it guaranteed. You can choose at any time not to have Standard Overdraft Practices but must inform us in writing of the request.
4. Termination of agreement: The credit union has the right to terminate the overdraft protection agreement at any time by sending a notice five (5) days in advance of the termination to your address of record.
5. Unless there are special provisions for transfer to meet overdrafts, the Credit Union, at its sole discretion, can close your checking account without prior notice for repeated overdrafts or for your misuse of your account.

**Present Balance and Available Balance**

*Present Balance:* Your "present balance" is the previous business day's ending balance, plus or minus the full amount of any transaction known to the credit union made during the current day (e.g., deposits, debit card transactions or ATM withdrawals); it does not include checks you may have written but have not been presented to the credit union.

*Available Balance:* Your "available balance" is the amount of the account's "present balance" that is available for immediate use. Certain pending transactions, such as deposits that contain checks, may not be immediately available and wouldn't be included in the available balance, as well as any pending debit card transactions that have been authorized but that have not yet posted to your account.

**Authorization Holds for Debit Card Transactions**

When you make a purchase with your debit card, the merchant may request prior authorization for the transaction. We generally place a temporary hold against some or all of the funds in the account linked to your debit card if and when an authorization request is obtained. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted (such as a gas station purchase). We are permitted to place an authorization hold on your account for up to three (3) business days from the time of the authorization. If the transaction is not submitted for payment by the merchant within the specified time period, however, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account.

The amount of funds in your account available for other transactions will be reduced by the amount of the authorization hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the authorization hold amount, that transaction will be a nonsufficient funds (NSF) transaction if we do not pay it or an overdraft transaction if we do pay it. You will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. Here is an example of how this can occur:

You have \$120 in your checking account and you make a department store for purchase \$50. An authorization hold for \$50 is placed on your account. Your available balance for other transactions is \$70 ( $\$120 - \$50 = \$70$ ). Later that day, another transaction you have authorized is presented for payment in the amount of \$80 (this could be a check you have written, another debit card transaction, or an electronic debit). This \$80 transaction is presented before the amount of the authorization hold is released (remember, it may take up to three days for the adjustment to be made). Because the transaction overdraws your account by \$10 ( $\$120 - \$50 - \$80 = \$-10$ ), your account will be assessed an overdraft fee.

We urge you to record and track all of your transactions closely to confirm that your available balance accurately reflects your spending of funds from the account linked to your debit card.

**Recurring Fees on Previously Submitted Transactions**

NSF fees may be imposed upon resubmitted items, meaning a check or debit transaction initiated by you and previously returned unpaid for insufficient funds may be resubmitted for payment by the depositing financial institution to Travis Credit Union. If funds are not available in your account you may be charged

an additional NSF fee each time a check or debit transaction is resubmitted to your account for payment.

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