

Important Information About Share Accounts

*Truth in Savings -
Notice of Change*

ALEC[®]

TRUTH-IN-SAVINGS DISCLOSURE NOTICE OF CHANGE -
Effective 7/1/2020, we are making changes and clarifications to our account terms. The revised terms are shown in bold italics. Only sections that have been revised are included. Our full Account Terms and Conditions are available at any ALEC Service Center or by visiting alecu.org/disclosures.

WITHDRAWALS -

Generally - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time, *including account closure.*

A check hold affects your account balance - When checks are deposited to your account, the funds may not be immediately available, causing your available balance to be less than the actual balance of your account. Until the funds become available, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds available after the deduction of the temporary hold amount, that transaction will be a non-sufficient 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. You will be charged the fee even if you would have had sufficient funds in your account if the hold had not been placed. Here is an example of how this can occur - assume for this example the following: (1) you have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft.

For example:

- You have \$200 in your account. You deposit a check for \$1000, \$225 of this check becomes available immediately; while the remaining \$775 is placed on a two-business day hold. While the funds are on hold, another transaction you have authorized is presented (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request) for \$500. Our processing system authorizes the payment in the amount of \$500, making the available balance negative (-) \$75, using Courtesy Pay. Our processing system shows that you *have negative (-) \$100 available in your account* (\$200 starting balance) + \$225 (from check) - \$500 = -\$75) even though you would have \$700 in your account available for other transactions if the check was not placed on hold (\$1200 - \$500 = \$700). Because the amount of this other transaction is greater than the amount our processing system shows available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction

overdraws your account by \$75, your account will be assessed the overdraft fee according to our overdraft fee policy. You will be charged this fee according to our policy even though you would have had enough money in your account if the \$1000 check had not been placed on hold.

Overdrafts - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. ***Your account may be charged for each instance or presentment that results in an overdraft and non-sufficient funds (NSF) transaction. This means you may be charged multiple fees for the same item.*** You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that

contained in the first paragraph of this section.

Your duty to report other errors - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors relating to electronic fund transfers or substitute checks - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled *Truncation, Substitute Checks, and Other Check Images*.

DEATH OR INCOMPETENCE - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account. ***If the death was that of an individual account owner or the primary owner of a joint account, in which tax reporting was based on that individual's taxpayer identification number, the account must be closed.***

MARIJUANA RELATED BUSINESSES - *In consideration of the regulatory requirements necessary to support marijuana related business accounts; we will not knowingly open or maintain accounts for members and businesses for marijuana-related business activity. This includes accounts for marijuana producers, processors, and retailers. Any account which we identifies or suspects of having transaction activity directly related to a marijuana-related business will be closed following notification.*

YOUR ABILITY TO WITHDRAW FUNDS

This policy statement applies to "transaction" accounts.

Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and an unlimited number of telephone and preauthorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

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

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If you make a deposit at an ATM before 2:00 P.M. CST on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit at an ATM after 2:00 P.M. CST or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

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

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

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. **The first \$225 of your deposits, however, will be available on the first**

business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- **You deposit checks totaling more than \$5,525 on any one day.**
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. **Funds from deposits of cash, wire transfers, and the first \$5,525 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 have to use a special deposit slip). **The excess over \$5,525 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 \$5,525 will not be available until the second business day after the day of your deposit.**

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

DORMANT MEMBERSHIP POLICY

Account Dormancy

Abbott Laboratories Employees Credit Union (ALEC) will consider all memberships dormant if in the past 12 months:

1. a transaction has not been made to a share, checking or money market, OR
2. a dividend was not posted to a share certificate, OR
3. an active loan or credit card does not exist, OR
4. an active relationship does not exist with ALEC Investment Advisors, OR
5. ***member contact has not been made and documented***
 - ***member contact is defined as any in-bound or out-bound communication where the member acknowledges their intent and interest to maintain membership.***

If any of the above do not occur or exist after 12 months, a dormancy **fee may** be assessed. The dormancy **fee may** be assessed each month the account remains dormant beginning with the first month following dormancy status. The fee is subject to change and is outlined in ALEC's Fee Schedule. Exclusions to the dormancy fee are as follows:

- Aggregate share balance equal to or greater than \$500
- Minor accounts

Escheatment

After three years of inactivity, any remaining funds will be transferred to the State of Illinois pursuant to the Revised Uniform Unclaimed Property Act –765 ILCS 1026. If the account address is located in a state other than Illinois and the state does not share dormancy reciprocity with Illinois, dormancy and transfer of funds will follow the respective states statutes.

If your funds are surrendered to the state, you may be able to reclaim them, but your claim must be presented to the state. Once your funds are surrendered, we no longer have any liability or responsibility with respect to the funds.

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alecu.org



By members' choice, your funds are insured by American Share Insurance up to \$250,000 per account. This institution is not federally insured.

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