

## AMERICAN PRIDE CREDIT UNION

### FUNDS AVAILABILITY POLICY DISCLOSURE

Due to recent changes by the Federal Reserve regarding time frames for clearing of paper checks, we are forwarding an updated Funds Availability Policy disclosure for your records.

This disclosure describes your ability to withdraw funds at American Pride Credit Union. It only applies to the availability of funds in transaction accounts. The credit union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

1. **GENERAL POLICY** – Our policy is to make funds available from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. 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 4:30 p.m. 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 4:30 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open.
2. **RESERVATION OF RIGHT TO HOLD** - In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. **Funds may not be available until the second business day after the day of your deposit.** However, the first \$100.00 of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same 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 next business day after we receive your deposit. If you will need the funds from your deposit right away, you should ask us when the funds will be available,
3. **HOLDS ON OTHER FUNDS** - If we cash a check for you that is drawn on another financial institution, 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 financial institution, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds 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.

4. **LONGER DELAYS MAY APPLY** – We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:
- We believed a check you deposit may not be paid.
  - You deposit checks totaling more than \$5000.00 on any one (1) day.
  - You deposit a check that has been returned unpaid.
  - You have overdrawn your account repeatedly in the last six (6) months.
  - There is an emergency, such as a failure of communications or computer 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.**

5. **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 \$5000.00 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 next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000.00 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 (1) of our employees, the first \$5,000.00 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

6. **DEPOSITS AT NON-PROPRIETARY ATMS** – Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate as identified as our machines.
7. **FOREIGN CHECKS** – Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

**\*\*\*ATTENTION LOANLINER LENDING PLAN USERS\*\*\***

**IMPORTANT CHANGE IN TERMS**

**LOANLINER ADDENDUM UPDATE**

**Instructions:** The following change has been made to your Loanliner Lending Plan Addendum which you received when you opened your plan. This addendum change is incorporated into and becomes part of your Loanliner credit agreement. Please keep this attached to your Loanliner Credit Agreement.

- **LATE CHARGES:** You will be charged a late payment fee of five percent (5%) of the principal and interest payment due, **or \$25.00 minimum**, on any loan that is more than ten **(10) days** delinquent.

**IMPORTANT ANNOUNCEMENT**  
**REGARDING STUDENT LOANS**

Effective February 12, 2010, the American Pride Credit Union will no longer be a participating lender in the AES/PHEAA student loan program. Due to the increased cost and penalties being assessed by the federal government, as well as the new law requiring schools to deal only with the federal government for all future student lending, we have decided to make this difficult decision. As of January 1, 2010, the Pennsylvania State University, which contains the highest number of credit union student borrowers, has gone direct to the federal government for all student lending. That means students will get their funds directly from the U.S. Government and not local banks or credit unions. While this effectively closes the door on the majority of our student lending, we realize that many small schools have not yet become compliant with the new laws which take effect later this year. We will continue to honor all loans that have been approved and are in the pipeline as of that date. We will honor all second and subsequent loan disbursements for the remainder of this year. Hopefully, in the coming months we can offer a new program that will meet the needs of parents and their students. We thank you for participating in this program. If you have any questions, please call (814) 946-3045.

