

Check Hold Policy Disclosure Statement

Our policy is to delay the availability of funds that you deposit in your account. During the delay, you may not withdraw the funds in cash or in the form of a withdrawal check and we will not use the funds to pay checks that you have written.

Determining Availability Of A Deposit

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays and holidays. If you make a deposit before 3:00 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 3:00 p.m. or on a non-business day, we will consider that the deposit was made on the next business day we are open.

The length of the delay varies depending on the type of deposit and is explained below.

Same-Day Availability

Funds from electronic direct deposits to your account will be available on the day we receive the deposit.

Next-Day Availability

Funds from the following kinds of deposits are available on the first business day after the day of your deposit:

- U.S. Treasury checks that are payable to you.
- Wire transfers.
- Checks drawn on 1st UCU.

If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit:

- Cash.
- State and local government checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, that are payable to you.

Note: Longer delays may apply to checks over \$1,000.

Our Policy Is To Make Funds From Checks Available As Follows:

The first \$200 from a deposit of checks will be available on the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit. For example, if you deposit a check for \$700 on a Monday, \$100 of the deposit is available for cash withdrawal on Tuesday, and the remaining \$600 is available on Wednesday. Additional rules apply to checks greater than \$1,000.

Checks Greater Than \$1,000- Checks totaling more than \$1,000 deposited on any one day, the first \$1,000 deposited on any one banking day will be available to you according to our general policy. The amount in excess of \$1,000 will generally be available on the first business day after the day of deposit for checks drawn on 1st UCU, the fifth business day after the day of deposit for all other checks. If your check deposit, exceeding \$1,000 on any one day, is a mix of checks, drawn on 1st UCU, or checks that generally receive next-day availability, the excess will be calculated by first adding together the on-us check, then the other check.

Longer Delays May Apply

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We have reasonable cause to believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has previously been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as 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.

Holds On Other Funds

Other Accounts: 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.

Check Cashing: In order to cash a check for you that is drawn on another bank, there must be sufficient available funds in an account with 1st UCU. We may withhold the availability of a corresponding amount of funds that are in that account. Those funds will be available at the time funds from the check(s) we cashed would have been available if you had deposited the check(s). For example, if we cash a \$300 check for you, \$200 of funds already in your account will not be available until the second or fifth business day after the day of your deposit, depending on the category of the check that was cashed.

Special Rules For New Accounts

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

Funds from deposits of cash, wire transfers, 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. 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. Otherwise, funds from checks will be available on the seventh business day after the day of your deposit. As with other accounts, funds from electronic direct deposits to new accounts will be available on the day we receive the deposit.

Check Endorsement Areas

In the example shown, a standard-sized personal check - approximately 3" by 6" - is used to illustrate the endorsement areas. Business checks can vary widely in size. However, the width of the endorsement areas allotted to the Subsequent Collecting Bank and the Payee remain the same.

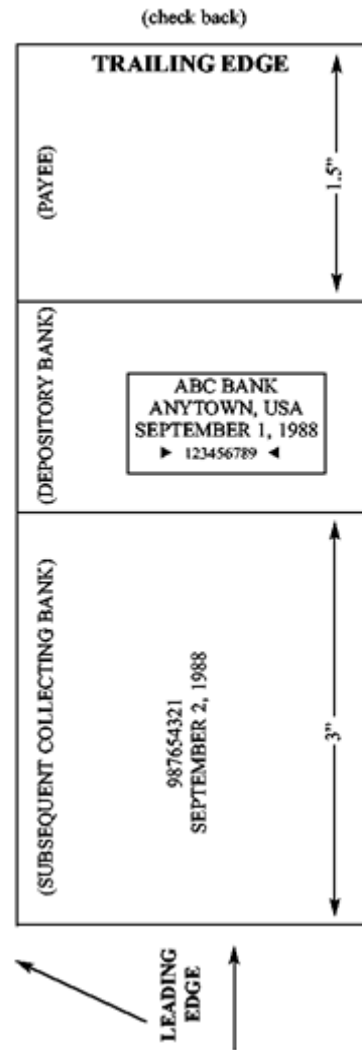
When you endorse a check as payee, your endorsement is required to be made within the "Payee" area described below.

Payee - This section of the check - up to 1 1/2" from the trailing edge - is reserved for the Payee (an individual or corporation to which the check is made payable). Required information for this section includes an authorized signature of an individual; or the stamp of an organization; or the stamp used by a merchant to record information about the writer of the check (e.g., driver's license number, credit card number, etc.)

Depository Bank - This section of the check - starting 3” from the leading edge to 1 1/2” from the trailing edge - is reserved for the Depository Bank. Required information to be included in this area is the bank’s 9-digit routing number (set off by arrows at each end and pointing toward the number), the bank’s name and location, and the endorsement date. This endorsement must be in purple or black ink.

Subsequent Collecting Bank - This section of the check - from the leading edge to 3” from the leading edge - is reserved for the Subsequent Collecting Bank and could also be endorsed by the Returning Bank. Required information to be included in this area is the bank’s routing number and the endorsement date; both are to be printed in other than purple ink.

Returning Bank - The returning bank endorsement can be placed anywhere on the check except those areas reserved for the Depository Bank and the Payee (3” from the leading edge to the trailing edge.) In addition, this endorsement must be printed in other than purple ink.



Check Images

In compliance with federal law under the Check Clearing for the 21st Century Act (a.k.a. Check 21), original checks presented to 1st UCU are converted to check images for all processing and filing purposes. Original checks are destroyed. Check images are legal proof of payment and are fully supported by the Federal Reserve for all check transactions.

As a result of Check 21, original cancelled checks are not available. Instead, check images are provided in mailed statements and electronic statements. Electronic

statements are available through our Online Banking service where check images are available to be viewed, printed, and/or saved to your home computer.

