

Effective August 1, 2023, there are changes to our Overdraft Privilege Service and our Deposit Account Agreement as we continue to improve our products and services and disclosures. This notice provides you with a summary of all the changes followed by updated sections of our Deposit Account Agreement. The changes include:

1. An increase in the minimum POS (debit card) transaction limit from \$600 to \$1,500 unless we have elected a different limit at our discretion.
2. A decrease in the combined maximum number of Insufficient Funds Charges and Uncollected Funds Charges from 6 fees to 3 fees per day for consumer accounts.
3. Details clarifying which electronic withdrawals, payments and deposits the Bank will accept for processing against your account.
4. Details clarifying how re-presentation of checks, debit card charges, EFT, or external withdrawal (ACH) transactions may result in additional fees when the same item is presented more than one time by a merchant because the initial item presented for payment was returned unpaid.
5. Details clarifying how you can close your OneUnited Bank account.

The changes to our current Deposit Account Agreement dated November 1, 2021, are shown in **bold** below. Also included in this notice are sections of our Deposit Account Agreement effective August 1, 2023, that are related to these changes and/or our overdraft programs.

**Changes to our current Deposit Account Agreement dated November 1, 2021 are in Bold.**

1. Limits on ATM and POS Transactions

The daily **debit card or** POS transaction limit applicable to your account is at least **\$1,500** unless we have elected a different limit at our discretion. unless we have elected a different limit at our discretion.

2. Overdraft Privilege Disclosure

The combined maximum Insufficient Funds Charges and Uncollected Funds Charges per day is **three (3) fees for consumer accounts. There is no maximum for business accounts.**

3. Which Electronic Payments, Deposits, and Telephone or Internet Transfers We Will Honor

We will honor electronic payments and deposits if the transactions are properly presented through the Automated Clearing House ("ACH") system or if they are properly presented by a third party with whom we have an agreement to honor them, provided that:

- A. In the case of an electronic payment or withdrawal, the payment or withdrawal is in your name, the account from which funds are being withdrawn is open and is not a Holiday Club Savings or Certificate of Deposit account and you have sufficient available funds in your account, free of legal restrictions, to cover the payment or withdrawal and**
- B. In the case of an electronic deposit, the deposit is in your name and the account receiving the deposit is open and is not a Certificate of Deposit.**

**Electronic payments or withdrawals and deposits received for processing that are not presented in your name may be returned to the sender.**

4. Presentment

A transaction is any item that moves money in or out of your account. Types of transactions include, but are not limited to, cash withdrawals or deposits, **electronic deposits or withdrawals**, checks, online payments, debit card charges, wire transfers and loan payments. **Transactions also include the re-presentation of checks, debit card charges and other EFT or external withdrawal (ACH) transactions in which the same item is presented more than one time by a merchant because the initial item presented for payment was returned unpaid. The re-presentation of the same transaction by a merchant is treated as a separate individual item and as a separate individual presentment. Re-presentation of each item is treated as an individual item and is subject to a fee each and every time it is presented against insufficient funds or uncollected funds (funds on hold) in your account.**

(Examples of re-presentation and their impact on overdrafts are not listed here but have been added to our disclosures. See below.)

5. **You Closing Your Account**

**The quickest way to close your account is to make a withdrawal for the entire account balance using your ATM or debit card, using our funds transfer service in online banking, or using one of the mobile payment apps. Once your balance reaches zero and there are no pending transactions, call us and we will close the account. If you require a check withdrawal, please call us at 877-663-8648 or visit our secure Contact Us page at [www.oneunited.com/contactus](http://www.oneunited.com/contactus) and follow the instructions. We may not be able to close your account until all pending transactions have posted to your account. We reserve the right to hold funds to cover pending transactions. If your account is an interest-bearing account, accrued interest will not be paid. There may be an early withdrawal penalty for Certificates of Deposit.**

For the Bank's full Deposit Account Agreement disclosure, please visit [www.oneunited.com/disclosures](http://www.oneunited.com/disclosures) or contact us at (877) 663-8648 to request a copy of our disclosure.

## UPDATED SECTIONS OF OUR DEPOSIT ACCOUNT AGREEMENT EFFECTIVE AUGUST 1, 2023

### Presentment

A transaction is any item that moves money in or out of your account. Types of transactions include, but are not limited to, cash withdrawals or deposits, **electronic deposits or withdrawals**, checks, online payments, debit card charges, wire transfers and loan payments. **Transactions also include the re-presentation of checks, debit card charges and other EFT or external withdrawal (ACH) transactions in which the same item is presented more than one time by a merchant because the item was initially returned unpaid. The re-presentation of the same transaction by a merchant is treated as a separate individual item and as a separate individual presentment. Re-presentation of each item is treated as an individual item and is subject to a fee each and every time it is presented against insufficient funds or uncollected funds (funds on hold) in your account.** Your account will be credited or debited on the day an item is presented for processing by electronic or any other means (See Posting Order Process). Items include, but are not limited to, deposits, checks or other orders for payment, transfer, or withdrawal from your account. A determination of your account balance for purposes of assessing an Insufficient Funds Charge Fee or an Uncollected Funds Charge Fee is made at the time of presentment. The available balance is used to determine if you have uncollected funds. The current balance is used to determine if you have insufficient funds. Your available balance and the current balance can be different. The decision to dishonor an item for insufficient funds or uncollected funds may be made at any time between the receipt of the item presented and the time of return of the item, which can be as late as the next banking day.

### Pending Transactions – Available Balance

If you review your account during the day in online banking or mobile banking, you may see some transactions as “pending.” Typically, these are pending debit card POS transactions (Point of Sale) that you have authorized with a merchant. These transactions reduce your available balance but have not yet posted to your account.

Your available balance is your current account balance less any holds. Holds include items such as pending debit card POS transactions or any other holds. Other holds include, but are not limited to, items such as check holds for deposited items, mobile deposit holds, legal orders, etc.

Your available balance is the balance that is used to determine if you have uncollected funds when an item is presented for payment.

Your ledger or current balance is the balance that is used to determine if you have insufficient funds when an item is presented for payment.

### Uncollected Funds – Impact of Holds

Uncollected funds can occur with pending account credits (such as holds on deposited checks or mobile deposits), pending account debits (such as pending debit card POS transactions), and other holds such as legal orders.

A hold can immediately reduce the available funds in your account. Sometimes funds in your account are not available to cover a check or other payment because of a hold on your current account balance. When we determine that funds in your account are subject to a hold, then we cannot use the held funds included in your current account balance to pay checks or other items presented for payment. Please review the example below to better understand how holds can result in uncollected fund charges. Fees are assessed in accordance with our Truth in Savings, Online Truth in Savings and/or Business Account Disclosures. Multiple fees may be incurred for each item if the item is resubmitted for payment multiple times against uncollected funds.

NOTE: Authorization and payment of debit card transactions do not always occur simultaneously – there may be days in between where funds are on hold in your account anticipating presentment and settlement of the authorized transaction. Please be aware that holds placed on your account for deposits, and for pending debit card transactions, such as hotel, or car rental deposits, impact your available balance and may cause your

account to be assessed fees for insufficient funds or uncollected funds.

Example 1: Jayden has \$300 in his account and buys concert tickets for \$200 using his debit card. Although the ticket seller does not immediately submit the transaction for posting to Jayden’s account, due to the debit card authorization, Jayden’s **available balance** is reduced by \$200 leaving him with an **available balance** of \$100. That night, a \$200 check for Jayden’s car insurance bill is presented for payment. His current balance is \$300, but his **available balance** is only \$100 because of the debit card authorization hold of \$200 for the tickets he purchased. His \$100 **available balance** is not enough to pay the \$200 check for his insurance. Jayden’s account is assessed an **Uncollected Funds Charge** when the check is presented for payment. **Jayden’s \$200 check, which was returned unpaid, is re-presented by the insurance company for payment the next business day. Jayden’s account is then assessed with another Uncollected Funds Charge because he did not make a deposit to his account.**

To avoid an **Uncollected Funds Charge**, closely monitor your available balance using mobile banking and online banking.

### Insufficient Funds – Paid and Returned Items

When we determine that you do not have enough funds on deposit in your current account balance to cover a check or other payment, then we consider the check or other payment as an insufficient funds item. OneUnited Bank is not obligated to pay any insufficient fund item presented for payment (checks, online bill payments, ATM withdrawals, debit card transactions, preauthorized debits (EFT/ACH), or any other electronic transactions). Without notice to you, we may pay the insufficient funds item and overdraw your account (an Insufficient Funds Paid item), or we may decline and return the insufficient funds item without payment (an Insufficient Funds Returned item). We pay insufficient fund items at our discretion, which means we do not guarantee that we will always, or ever, pay them. We may pay all, some, or none of your insufficient fund items.

Service charges assessed to your account for items presented against insufficient funds does not obligate us to pay items. We are not required to provide prior written notice of our decision to refuse payment of an item. If we do pay such an item, you agree to repay the overdraft balance amount and all applicable fees immediately without notice or demand from us. Please review the example below to better understand how an overdraft can occur from a debit card transaction, electronic payment and check resulting in an insufficient funds charge. Fees are assessed in accordance with our Truth in Savings, Online Truth in Savings and/or Business Account Disclosures. Multiple fees may be incurred for each item if the item is resubmitted for payment multiple times against insufficient funds.

Example 2: Jasmine has \$300 in her account. She buys groceries in the morning for \$100 using her debit card that is immediately submitted for posting. Her **current balance** is now \$200. An electronic bill payment from her mobile phone carrier for \$50 posts to her account in the afternoon reducing her **current balance** to \$150. That night, a \$300 check for Jasmine’s student loan is presented for payment. Her \$150 **current balance** is insufficient to pay the \$300 check. Jasmine’s account is assessed an **Insufficient Funds Charge** when the check is presented for payment. **Jasmine’s \$300 check, which was returned unpaid, is re-presented by the student loan company for payment the next business day. Jasmine’s account is assessed another Insufficient Funds Charge because she has not made a deposit to increase her balance.**

To avoid an **Insufficient Funds Charge**, closely monitor your current balance using mobile banking or online banking.

We reserve the right to charge interest on any amount overdrawn at the maximum rate permitted by law until paid in full. It is your obligation to keep your account in good standing with the Bank and to bring your account

to a positive balance immediately should an overdraft situation occur, without a notice or demand from OneUnited Bank.

Example 3: Jordan experienced both an Uncollected Funds Charge and an Insufficient Funds Charge when two checks were presented over two days. Amounts shown in (parenthesis) below are negative.

Transaction Description	Transaction Amount	Available Balance	Current Account Balance
<b>Day 1</b>			
Opening Balance		\$ 100	\$ 100
Debit Card Purchase Authorization Hold	\$ (80)	\$ 20	\$ 100
<b>Day 2</b>			
Check #1 Posted	\$ (40)	\$ (20)	\$ 60
Uncollected Funds Charge - Paid	\$ (37)	\$ (57)	\$ 23
<b>Day 3</b>			
Check #2 Posted	\$ (30)	\$ (87)	\$ (7)
Insufficient Funds Charge - Paid	\$ (37)	\$ (124)	\$ (44)

Jordan's **available balance** is not enough on Day 2 because of a POS authorization hold. The **available balance** is \$20 prior to the \$40 check posting. The **Uncollected Fund Charge** is assessed because of the \$80 POS debit card authorization hold.

On Day 3 when the \$30 check posts to Jordan's account, the available balance and the **current balance** are not enough. The **current balance** is overdrawn by \$7. When the current balance is insufficient to pay an item, an **Insufficient Funds Charge** is assessed.

The best way to avoid overdraft fees (Insufficient Funds Charges or Uncollected Fund Charges) is to remain aware of your balances in mobile banking and online banking.

#### Overdraft Services

We want to educate you on the overdraft services available to cover a purchase or transaction when the funds are not available in your checking account balance. We have two ways these transactions can be covered

- 1) OneUnited Bank offers Overdraft Protection that links your checking account to another OneUnited Bank account as a back up to transfer payments to your checking account to cover transactions presented against insufficient funds. (Overdraft Protection does not cover transactions presented against uncollected funds.) Transactions that may prompt an Overdraft Protection transfer include, but are not limited to, checks, ATM withdrawals, debit card transactions, pre-authorized automatic debits, telephone-initiated transfers, or other electronic transfers. Our Overdraft Protection service is optional and there is no fee associated with the daily Overdraft Protection transfer from your linked account.
- 2) OneUnited Bank also offers Overdraft Privilege in which we will strive to pay checks and other transactions made using your checking account number and automatic bill payments when funds are not available in your account. When an account has insufficient funds, an Insufficient Funds Charge is charged for each item whether the item is paid or returned unpaid. When an account has unavailable funds, an Uncollected Funds Charge is charged for each item whether the item is paid or returned unpaid. These fees are provided in our Truth in Savings Disclosure, Online Truth in Savings Disclosure and Business Account Disclosure that include Miscellaneous Fees.

You may contact us to decline enrollment in Overdraft Privilege, our standard overdraft service. Opting out of the service may result in items presented for payment being returned unpaid if you do not have Overdraft Protection.

For businesses, Overdraft Privilege automatically covers ATM and everyday debit card transactions. For consumers, we can only extend Overdraft Privilege to your ATM and everyday debit card transactions with your

consent and acknowledgment by contacting us or completing an ATM/Debit Card Consent Form.

Please review the Overdraft Privilege Disclosure below.

#### Overdraft Privilege Disclosure (Effective August 1, 2023)

Overdraft Privilege is a service to cover inadvertent overdrafts to a set limit, subject to the eligibility criteria as explained below. With Overdraft Privilege, we will as a discretionary service and not as a right or obligation guaranteed to you, strive to pay your reasonable overdrafts when your account is in good standing and meets our eligibility criteria. We reserve the right not to pay. Good standing includes the following criteria:

- Age of account
- Number of deposits
- Deposit patterns
- Repayment patterns
- Frequency of overdraft activity

For example, we typically do not pay overdrafts if your account is not in good standing, you are not making regular deposits, you have too many overdrafts, or your repayment of overdrafts is not consistent.

When we pay overdraft items for you, you will be charged our Uncollected Funds Charge or Insufficient Funds Charge (-Paid) for each item that is paid. If checks and other transactions made using your checking account number and automatic bill payments are not paid, you will be charged our Uncollected Funds Charge or Insufficient Funds Charge (-Returned). **The combined maximum Insufficient Funds Charges and Uncollected Funds Charges per day is three (3) fees for consumers accounts. There is no maximum for business accounts.** The Uncollected Funds Charge and Insufficient Funds Charge can be found in our Truth in Savings, Online Truth in Savings and/or Business Account Disclosures that include Miscellaneous Fees. There is no Uncollected Funds Charge or Insufficient Funds Charge if your account balance is overdrawn by \$5.00 or less or if the transaction that overdraws your account is \$1.00 or less. All deposits to an overdrawn account are applied to the negative balance.

**Eligibility** – No application is required for our Overdraft Privilege service; eligibility is at the sole discretion of OneUnited Bank and is based on you managing your checking account in a responsible manner.

**Non-Eligible Account Types** – IOLTA accounts, Public Fund accounts, Court Restricted accounts

**Suspension/Revocation** – Your Overdraft Privilege may be refused, suspended, or permanently revoked at our discretion, which may include the following criteria:

- Your account type is not eligible.
- You are more than 30 days past due on any OneUnited Bank loan or credit card.
- You are subject to a bankruptcy proceeding or other legal matter that may impair your ability to repay an overdraft.
- Your account is being reviewed for fraudulent activity or transactions.
- A consumer reporting agency provides us with a report of negative information.
- You have an outstanding balance on an Overdraft Repayment Plan.
- Your account status is identified as inactive.
- You have an unresolved prior loss with the Bank.
- We do not have a valid phone number, address, or other current contact information for you.

**Transactions Covered** – Overdraft Privilege will be available for checks and other transactions made using your checking account number and automatic bill payments. For consumers, Overdraft Privilege will not be available for ATM and everyday debit card transactions unless you authorize OneUnited Bank by completing an ATM/Debit Card Consent Form. For businesses, Overdraft Privilege automatically covers ATM and everyday debit card transactions.

NOTE: For consumers, if you have consented to Overdraft Privilege for ATM and everyday debit card transactions, please verify your balance before initiating an ATM cash withdrawal. All withdrawals exceeding your balance will be subject to our Insufficient Funds Charge or Uncollected Funds Charge until the account balance is no longer overdrawn.

**Posting Order** – The order of when we post transactions can affect your account balance and whether or not you are charged with fees such as an Insufficient Funds Charge. We receive debits (withdrawals), credits (deposits) and holds (reductions to your available balance) throughout the day. The order in which items are presented for processing or payment may affect the total fees assessed to your account. Transactions may be posted to your account in “batch” (a number of transactions in a file received and posted in accordance with a processing schedule during a business day) or in “real time” (transactions posted as they are made and received for posting to your account). Review the posting order process below.

Example 4: Jessica has \$50 in her account. At 11:00 am, a \$75 Automatic Clearing House (ACH) electronic payment for her cell phone bill is received and posted for payment. Her \$50 current balance is insufficient to pay the \$75 electronic payment, therefore Jasmine incurs an Insufficient Funds Charge. At 2:00 pm that same day, Jessica receives a \$200 deposit through CashApp, which results in her account not being overdrawn at the end of the day. However, due to the sequence of her cell phone bill payment posting before her CashApp deposit was received, she was not able to avoid an Insufficient Funds Charge. To avoid an Insufficient Funds Charge, closely monitor your current balance using mobile banking or online banking.

**Opt Out** – Overdraft Privilege is an expensive way of handling your account and you have the option to have this service removed at any time by calling us at 877-One-United or 877- 663-8648 or writing us at OneUnited Bank, Customer Support, 3683 Crenshaw Blvd. Los Angeles, CA 90016 or visiting one of our branch offices and stating that you want to Opt Out of the Overdraft Privilege service. It is important for you to consider that by opting out of this service without some other form of overdraft service such as Overdraft Protection, you are instructing us to return all items presented against insufficient funds as unpaid items. If you opt out, you will be charged our Insufficient Funds Charge. Customers who receive a Social Security, federal direct deposit, or any other entitlement benefit must opt out if you do not want the Bank to apply those funds to pay an overdraft.

**Excessive Use** – We monitor customer accounts for chronic or excessive use. If you overdraw your account more than six times for which a fee is assessed in a rolling twelve-month period you will be contacted to review alternatives and/or your continued use of Overdraft Privilege.

**Financial Education** – OneUnited Bank believes that financial literacy and education helps customers make informed decisions. Heightened awareness of personal financial responsibility helps customers realize the benefits of responsible money management, understanding the credit process and the availability of help if problems occur. [www.MyMoney.gov](http://www.MyMoney.gov) is the federal government’s website that serves as the one-stop for federal financial literacy and education programs, grants, and other information. To request a personal financial toolkit, call 1-888-MyMoney. OneUnited Bank also offers a Financial Education Center at [www.oneunited.com/learn](http://www.oneunited.com/learn).

#### **Which Electronic Payments, Deposits, and Telephone or Internet Transfers We Will Honor**

We will honor electronic payments and deposits if the transactions are properly presented through the Automated Clearing House (“ACH”) system or if they are properly presented by a third party with whom we have an agreement to honor them, provided that:

- A. **In the case of an electronic payment or withdrawal, the payment or withdrawal is in your name, the account from which funds are being withdrawn is open and is not a Holiday Club Savings or Certificate of Deposit account and you have sufficient available funds in your account, free of legal restrictions, to cover the payment or withdrawal and**
- B. **In the case of an electronic deposit, the deposit is in your name and the account receiving the deposit is open and is not a Certificate of Deposit.**

**Electronic payments or withdrawals and deposits received for processing that are not presented in your name may be returned to the sender.**

We agree to transfer money between your accounts upon your telephone or online banking request, provided that:

- A. You properly identify yourself using our current identification standards;
- B. You have enough available funds in the account from which you are transferring funds to cover the amount requested; and
- C. We allow electronic check transactions to post to your checking account.

We are not required to honor other electronic payments, deposits, or telephone transfers, although we may do so from time to time.

#### **You Closing Your Account**

**The quickest way to close your account is to make a withdrawal for the entire account balance using your ATM or debit card, using our funds transfer service in online banking, or using one of the mobile payment apps. Once your balance reaches zero and there are no pending transactions, call us and we will close the account. If you require a check withdrawal, please call us at 877-663-8648 or visit our secure Contact Us page at [www.oneunited.com/contactus](http://www.oneunited.com/contactus) and follow the instructions. We may not be able to close your account until all pending transactions have posted to your account. We reserve the right to hold funds to cover pending transactions. If your account is an interest-bearing account, accrued interest will not be paid. There may be an early withdrawal penalty for Certificates of Deposit.**

#### **Limits on ATM and POS Transactions**

We will not be required to complete an ATM withdrawal or transfer or a POS purchase from a deposit account if the amount of the transaction exceeds your daily withdrawal limit, as described below, or if you do not have enough available funds in the account (according to our Funds Availability Policy), that are free of legal restrictions, to cover the transaction.

The daily ATM cash withdrawal limit applicable to your account is \$500 unless we have elected a different limit at our discretion. **The daily debit card or POS transaction limit applicable to your account is at least \$1,500 unless we have elected a different limit at our discretion.** For purposes of administering these limits, a day may be any 24-hour period.

You agree not to use your ATM/Debit Card and PIN for a transaction that would cause the balance in any of your deposit accounts to go below zero. We will not be required to complete any such transactions, but if we do so, you agree to pay any overdraft balance created by the withdrawal immediately upon request. We may also limit or refuse to complete your ATM or POS transaction or revoke your ATM/Debit card if necessary for security reasons without prior notice.