

**Amendment to  
Hughes Federal Credit Union  
Share Accounts Information  
and Disclosure Booklet  
Effective July 1, 2025**

**SHARE ACCOUNTS INFORMATION  
AND AGREEMENT**

**6. Accounts for Minors.** Hughes reserves the right to require any account established by a minor, to be a joint owner account with the joint owner (custodian) having reached the age of majority under applicable law who shall be jointly and severally liable to Hughes for any returned item, overdraft, or unpaid charges or amounts on such account. Hughes may make payments of funds directly to the minor without regard to his or her minority. Unless the minor's guardian or parent is a joint account owner, the guardian or parent shall have no rights to access the account. Hughes has no duty to inquire of the use or purpose of any transaction by the custodian or the minor. Hughes shall not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners. In the event of the custodian's death, Hughes may place an administrative hold on the account, until it receives instructions from any person authorized by law to access the account or a court order authorizing such access.

**9. Holiday Club Savings Account.** This share account provides Hughes members an easy way to save for their holiday expenses. When you open this account, you additionally agree to the rate, dividend, and balance information stated in the Truth-In-Savings Disclosure contained herein and that:

- (1)** The fiscal year for this account begins October 1 and ends the following September 30.
- (2)** Holiday Club Savings accounts can be opened at any time.
- (3)** A transfer will be performed once annually by Hughes to your Main Share Savings account. The transfer will include all deposits made through September 30 and the dividends earned through September 30 which are credited September 30. Transferred funds will be available to you on October 1. If October 1 is a Sunday, funds will be available on Hughes's next business day.
- (4)** Withdrawals at times other than the October disbursement period are allowed at the discretion of the member; however, the withdrawal must be for the entire balance of the account. The account will then be closed and cannot be reopened until the beginning of the next Holiday Club Savings account fiscal year.

**10. Daily Savings Account.** ATM savings transactions are processed against this account.

**12. Secured Credit Line Account.** Discontinued.

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**13. Money Market Savings Account.** Hughes offers this account in order to provide its members a higher yield savings instrument which has withdrawal rights without penalties. When you open this account, you additionally agree to the rates, dividends, and balances information stated in the Truth-In- Savings Disclosures contained herein and that:

- (1) You have the option of receiving your dividends by check, transferring them to another share account, manually withdrawing them, or allowing them to remain in the account. Checks will be mailed to your address as recorded in Hughes's files. The removal of dividends from your account will reduce the annual percentage yield to as low as the dividend rate, depending on the amount of dividends removed. Accrued dividends will be credited at account closing.
- (2) The Money Market Savings is a tiered rate account, with the tiered minimum amounts and rates disclosed in the Rates & Fee Schedule. The minimum actual balance required to open a Money Market Savings account is \$1,000.

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**14. Individual Retirement Account (IRA).**

**g. Compounding and Crediting.** Dividends will be compounded and credited as set forth in the *Rates & Fee Schedule*. The dividend periods are monthly. The monthly period begins on the first day of the month; for example, January 1 through January 31. Dividends are credited on the last day of the month. Dividends for the last dividend period, will be credited on the maturity date.

**15. Health Savings Account.** The account is opened as a checking account and may be issued with a Visa® Debit Card per the *Visa® Debit Card Disclosure and Agreement*. This account will not have any Overdraft Protection nor is it eligible for Courtesy Pay and shall be charged fees as set forth in the *Rates & Fee Schedule*. Checks may be used to withdraw shares from your HSA account. Only Hughes approved checks, devices, and methods may be used to withdraw shares from HSA account. Orders of checks will be charged to your HSA account.

**17. Share Draft Account.**

**a.** The Checking Restart account has no minimum deposit required to open with a low monthly service charge (fee). No dividends are paid. Courtesy Pay is not available with this account. Hughes sends a letter to invite you to apply for a Checking account after 12 months of satisfactory history. Refer to the *Rates & Fee Schedule* for prospective rates and fees.

**c. Overdraft Liability.** Hughes is under no obligation to pay any draft or other item (including electronic funds transfer) which exceeds the available balance in your Share Draft account. However, if you have selected the Overdraft Protection Plan option, then on any day that the funds in your Share Draft account are insufficient to cover drafts, fees, or other items posted to your account, those deficient amounts will be handled in accordance with our overdraft procedures and the selected Overdraft Protection Plan.

**d. Overdraft Protection Plan.** If an Overdraft Protection Plan has been requested by you, Hughes will honor drafts or other items drawn on insufficient funds in your account by transferring the necessary funds from your *Revolving Line of Credit Plan* loan account if applicable, Daily Savings account, or Main Share Savings

account, in that order or as you have directed. Transfers from a share account will be governed by this Share Agreement. Transfers from a loan account will be governed by the applicable Loan Agreement and this Share Agreement. In the event that any of the joint owners cause this Share Draft account to be overdrawn, and if any of the joint owners is eligible to receive advances from Hughes under a *Revolving Line of Credit Plan* loan account, and that loan account (regardless of whom the co-makers or co-borrowers may be, if any) was selected for the Overdraft Protection Plan; then that overdraw shall be deemed to be a request upon Hughes for an advance from said loan account sufficient to permit Hughes to honor such item and to credit the loan advance to the Share Draft account. If an advance is not approved under the *Revolving Line of Credit Plan* loan account, then Hughes is hereby authorized to transfer the necessary funds from any other share account under the Overdraft Protection Plan or from any share account not under the Overdraft Protection Plan as described next.

Should the Overdraft Protection Plan be inadequate to cover the insufficient funds in the Share Draft account, Hughes may transfer the necessary funds from any account under this Share Agreement and charge your account an **Overdraft Usage Applied Manually** fee or may return the item and charge your account a **Non-sufficient Funds** fee. Should you decline the Overdraft Protection Plan and there is insufficient funds in your Share Draft account, your drafts or other items will not be paid, they will be returned, and a **Non-sufficient Funds** fee will be charged for each item returned.

**e. Courtesy Pay Policy.** It is the policy of Hughes Federal Credit Union to comply with all applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

*The Share Accounts Information and Disclosures* booklet provided to you at the time you opened your account with us controls the duties, obligations and rights of the Depositor, the Authorized Signatories and Hughes with regard to your checking account. *The Share Accounts Information and Disclosures* booklet (and all agreements thereto) and its terms shall control any possible conflict, if any, between any provision of this Courtesy Pay Policy and the *Share Accounts Information and Disclosures* booklet. A copy of the *Share Accounts Information and Disclosures* booklet is available to you on request from Hughes Federal Credit Union.

Courtesy Pay is not a line of credit or the same thing as Overdraft Protection. Courtesy Pay is for checks and other transactions made using your checking account number, ACH withdrawals, or automatic bill payments. With your Opt-in, Hughes will also pay overdrafts, based on the available balance for ATM and everyday debit card transactions on eligible Checking and Checking PLUS accounts only. Courtesy Pay is not available for our Health Savings Account, Checking Restart, or withdrawals at the teller line. However, if you overdraw your account, we will have the discretion to pay the overdraft, based on the available balance, subject to the limit of your Courtesy Pay and the amount of the overdraft fee. Hughes is not obligated to pay any item presented for payment if your account does not contain sufficient available funds. Any discretionary payment by Hughes of an overdraft checking account does not obligate Hughes to pay any additional non-sufficient funds check or item(s) or to provide prior notice of its decision to refuse to pay any additional non-sufficient funds check or item. If we do not authorize and pay an overdraft, your transaction will be declined.

Pursuant to Hughes's commitment to always provide you with the best level of service, now and in the future, if you maintain your account in good standing, which includes at least:

- (1) Bringing your account balance to a positive balance within every thirty (30) day period for 24 hours;
- (2) You are not in default on any loan or other obligation to Hughes; and,
- (3) You are not subject to any legal or administrative order or levy.

Hughes will have the discretion to pay overdrafts within the Courtesy Pay limits, but payment by Hughes is a discretionary courtesy and not a right of the account holder or an obligation of Hughes. This privilege for checking accounts will generally be limited to a maximum of \$600 overdraft (negative) balance for Checking and \$750 for Checking PLUS. When a check(s) or ACH electronic item(s) are presented and the funds are not available in the checking account or the member's designated overdraft sources, Hughes will honor the check(s) or items by bringing the checking account to a negative balance up to \$600 for Checking and \$750 for Checking PLUS including the non-sufficient funds fees. Examples of such ACH electronic items are prearranged bill payments, insurance premiums, or one-time electronic funds transfer from your checking account using the information from your check to pay a bill. Of course, any and all fees and charges, including without limitation the non-sufficient funds fees (as set forth in our *Rates & Fee Schedule and Share Accounts Information and Disclosures* booklet), will be included as part of this maximum amount.

The total of the discretionary Courtesy Pay (negative) balance, including any and all fees and charges, including all nonsufficient funds/overdraft fees is due and payable upon demand, and Depositor and each Authorized Signatory will continue to be liable, jointly and severally, for all such amounts as described in the *Share Accounts Information and Disclosures booklet and Rates & Fee Schedule*.

**f. Fees.** A Share Draft account shall be charged fees as set forth in the *Rates & Fee Schedule* for the following:

- (1) **Non-Sufficient Funds** fee may be charged each time an item is presented and dishonored and returned.
- (2) **Overdraft Usage Applied Manually (MANUAL APPLD OVERDRAFT)** fee for each item that Hughes chooses to manually honor.
- (3) **Stop Payment Placement** fee for each request, which can be a single share draft number or a consecutive range of numbers.
- (4) **Stop Payment Removal** fee for each owner(s) requested cancellation of a stop payment placement.
- (5) **Share Draft Original (SHARE DRAFT ORIG/COPY)** fee for each original share draft requested or subpoenaed. Originals are available for a limited time period.
- (6) **Share Draft Copy (SHARE DRAFT ORIG/COPY)** fee for each copy of a requested or subpoenaed share draft. Share draft copies are copies of the microfiche, microfilm, or magnetic image of the original share draft and are available for the time periods required by law.

- (7) Share Draft Account Reconciliation/ Balancing Service (ACCOUNT BALANCING RVC)** fee charged when Hughes is requested to balance the Share Draft account. Neglected accounts, those not balanced to the penny for the last six (6) months, may require extensive effort as time permits.
- (8) Share Draft Research (ACCOUNT RESEARCH)** fee shall be charged when researching share draft problems or inquiries requested by the owner(s).
- (9) Share Draft Check Order** a printing fee imposed by the share draft (check) printer and charged to your account. This fee varies depending on the share drafts that are ordered. Charges for optional share draft books/holders are included in this fee.

When the title is different than or longer than allowed on the statement, the verbiage in parentheses after the fee title will appear on your statement.

**Limits on fees.** We may charge an overdraft fee for any item we pay into overdraft, and we may charge a returned item fee each time we return any item unpaid. Hughes sets limits on the overdraft fees (Non-Sufficient Funds and Courtesy Pay fees) charged:

- (1) We limit our overdraft and/or returned item fees to four per business day.
- (2) We won't assess an overdraft or non-sufficient funds/ NSF fee on items of \$29.99 or less.
- (3) If both your ending daily account balance and available balance are overdrawn by \$29.99 or less after we have processed all your transactions, we won't assess an overdraft fee on the items.
- (4) We won't assess an overdraft fee if the item is a representment or the transaction was Authorize Positive/Settle Negative (ASPN).
- (5) We won't charge an overdraft fee on ATM and everyday (one-time) debit card transactions unless you have opted in to have these transactions be covered by Courtesy Pay.

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**h.** Sign up for Overdraft Protection first from your line of credit, then from your Daily Savings account, and lastly from your Main Share Savings account. Mistakes do happen and emergencies do occur, but with Overdraft Protection, costly non-sufficient fund fees may not be an additional burden.

## **18. How Overdraft Protection Works for Various Accounts and Services:**

**a. Checks:** Overdraft Protection (ODP) will go through each source as set up by the member and will drain the balance before it moves on to the next source.

**b. Savings:** Overdraft Protection is not available on saving Accounts, but the savings account can be used as overdraft for the checking account. Funds must be in savings for the full amount for the item to be paid.

**c. Electronic Debits From Checking:** Funds must be available in one Overdraft Protection source account for the item to be paid. A single source for the whole amount is required.

**d. Signature Based:** Transactions approved for the total amount available in all the Overdraft Protection sources, and will only place a hold on the balance in the checking account.

**e. PIN Based:** A single source for the whole amount is required.

**f. Bill Pay:** Overdraft Protection is not available on Bill Pay. When scheduling a bill payment from your checking account, please have sufficient funds available in your account to cover the amount of the bill payment at the time the Bill Pay transaction occurs to avoid non-sufficient funds (NSF) fees.

**g. Offline Transactions:** There is no ODP for signature and PIN based transactions when the Credit Union is offline. If funds are not available in your line of credit or share account, the Overdraft Protection will not process and you will be subject to applicable fee(s) per the *Rates & Fee Schedule*.

#### **19. Automated Teller Machine (ATM) Card.**

**d. Overdraft.** In the event that any of the account owners make a cash withdrawal which would result in their account becoming overdrawn, the same conditions as detailed under subsection 18.c., 'Overdraft Liability' and subsection 18.d., 'Overdraft Protection Plan' contained in this Share Agreement would apply. The account owners shall not at any time overdraw their Share Draft account or savings account by the use of their ATM Card(s). If there is an overdraft in violation of this Share Agreement, you and the account owners shall repay Hughes all such amounts on demand, together with all service charges (refer to Fees following), plus reasonable attorney's fees and costs incurred by Hughes.

**h. (3) Overdraft Usage Applied Manually (MANUAL APPLD OVERDRAFT)** fee for each withdrawal that Hughes must manually process because the Hughes computer system could not complete due to inadequate or no Overdraft Protection.

#### **20. Visa® Card Disclosure an Agreements.**

**d. Liability for Unauthorized Transactions:** Tell the Credit Union immediately if you believe your Visa® Debit Card or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit, if you have one, or savings account Overdraft Protection).

**h. Overdrafts:** If your account does not have automatic Overdraft Protection or if there are no overdraft funds available, you agree to pay the Credit Union immediately upon demand for any negative balances arising in your account. The Credit Union reserves the right to deduct the amount of any overdraft on your account from any other account you have with the Credit Union, except on an IRA (Individual Retirement Account). A non-sufficient funds (NSF) fee will be assessed to the account for each NSF overdraft.

#### **27. Transaction Limitations.**

**a. Withdrawal Restrictions.** We reserve the right to require you to provide written notice of any intended withdraws from any account(s) of not less than seven (7) but not more than sixty (60) days before the intended date of withdrawal. Hughes may deny your withdrawal unless you have sufficient available funds in your account or through an Overdraft Protection Plan to cover the full amount of the withdrawal.

**41. Termination of Account.** Hughes may terminate your account at any time without notice to you or may require you to close your account and apply for a new account if: **(1)** there is a change in owners or authorized signers; **(2)** there has been a forgery or fraud reported or committed involving your account; **(3)** there is a dispute as to the ownership of the funds in the account; **(4)** any share drafts are lost or stolen; **(5)** there are excessive returned unpaid items not covered by an Overdraft Protection Plan; ...

## TRUTH-IN-SAVINGS DISCLOSURES

### 3. Non-Term Accounts

c. Compounding and Crediting. Dividends will be compounded and credited as set forth in the *Rates & Fee Schedule*. The dividend periods are either monthly or quarterly. Monthly periods begin on the first day of the month and end on the last day of the month, for example January 1 through January 31. Quarterly periods begin on the first day of the calendar quarter and end on the last day of the calendar quarter; for example, January 1 through March 31. Dividends are credited to the accounts the last day of the month or quarter. Accrued dividends will be credited to account at closing.

d. Transaction/Account Limitations. Discontinued.

### 4. Term Accounts

c. Compounding and Crediting. Dividends will be compounded and credited as set forth in the *Rates & Fee Schedule*. The dividend periods are monthly. The monthly period begins on the first day of the month and ends on the last day of the month; for example, January 1 through January 31. Dividends are credited the last day of the month. Dividends for the last dividend period, will be credited on the maturity date.

d. Renewal Policies. Hughes provides Certificate Accounts that renew automatically. For Automatically Renewable Certificate accounts, your account will automatically renew at maturity. You will have a grace period of ten (10) calendar days after the maturity date to withdraw the funds in the account without being charged an early withdrawal penalty. For example, for a Certificate Account maturing on January 5, you will have until the close of Hughes's business day January 15 to withdraw the funds. Should January 15 not be a business day, you will have until the close of Hughes Federal Credit Union's next business day following January 15.

Should the Certificate Account be redeemed during the grace period, no dividends will accrue or be paid from the maturity date through and including the day of redemption. Certificate Accounts will renew at the rate offered on the maturity date and will renew for the same time period as the original, unless otherwise disclosed.

## ELECTRONIC FUND TRANSFERS DISCLOSURE REGULATION E

**1. Coverage.** You may have established at least one account with Hughes Federal Credit Union which is set up to handle "Electronic Fund Transfers." These are transactions which are initiated without a paper document such as a check or deposit slip. Examples of Electronic Fund Transfers are: direct deposit of Social Security, retirement or payroll checks; electronic check conversion transaction; prearranged bill payments such as insurance premiums or house payments; deposits, withdrawals, and transfers at Automatic Teller Machines (ATMs) through the use of a card and an

identification number; Point-of-Sale transactions using your Card and identification number; and transfers through Hughes's Online Banking and Bill Pay.

## 2. Types and Limitations of Transfers

c. Hughes Voice Response System. Discontinued.

## FUNDS AVAILABILITY DISCLOSURE REGULATION CC

**1. Coverage.** If you make a deposit before closing time as published at the branch on a business day we are open, Hughes will consider that day to be the day of your deposit.

**2. Longer Delays May Apply.** In some cases, Hughes may not make all the funds that you deposit by check available to you on the day of 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. However, the first \$275 you deposit by check to a transaction account will be available on the first business day after the date of deposit.

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

- New account opening.
- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$6,725 on any one day.
- You redeposit 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 failure of communications or computer equipment.

**3. Special Rules for New Accounts.** Special Rules for New Accounts. If you are a new member, the following special rules will apply during the first thirty (30) days your account is open. Funds from electronic direct deposits, cash deposits and the first \$6,725 of a day's deposit of cashier's, certified, teller's, traveler's, U.S. Treasury, and state and local government checks will be available at the time of deposit, if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$6,725 may not be available until the **ninth business day** after the day of your deposit.

