

Level Up Member Benefits Program Disclosure

EFFECTIVE December 1, 2024



I. INTRODUCTION. This Level Up Member Benefits Program Disclosure (“Disclosure”) explains important terms and conditions regarding SESLOC Credit Union’s (“Credit Union”) Level Up Member Benefits Program (“Program”).

II. DEFINITIONS. The following terms used in the Disclosure are defined below:

- A. “Consumer Member” means a member who establishes a membership with the Credit Union (“Consumer Membership”) primarily for personal, family or household purposes.
- B. “Non-Consumer Membership” means a membership with the Credit Union established for a purpose other than for personal, family or household use such as for business (“Business Membership”) or fiduciary oversight.
- C. “Consumer Primary Member” means the consumer individual who qualified for membership in the Credit Union, and whose membership is opened under the consumer’s individual social security number (“SSN”) or individual taxpayer identification number (“ITIN”).
- D. “Participant” means a Consumer Member of the Credit Union, eighteen (18) years or older, who has at least one (1) Consumer Membership that is in good standing, for which they are the Primary Member.
- E. “Share Accounts” means Share Checking Accounts, share savings accounts and share certificates maintained with the Credit Union.
- F. “Share Checking Accounts” means share checking accounts maintained with the Credit Union.
- G. “Loans” means loans offered or extended to a Consumer Member primarily for personal, family or household purposes and include vehicle loans, credit cards, personal lines of credit (“LOC”), consumer closed-end loans, including Signature, Youth Agriculture, Computer and Sustainable loans, loans secured by a share account or share certificate, Home Equity Lines of Credit, and Mortgage loans.
- H. “Mortgage Loans” means closed-end loan secured by real property, for residential use.
- I. “Business Loans” means loans offered or extended for a business purpose under a Business Membership.
- J. “Wealth Management” means only those accounts held through CUSO Financial Services, LP1 (“CFS”) by the Participant. CFS is an Independent Broker-Dealer and SEC Registered Investment Advisor formed for the express purpose of serving Credit Union members’ investment and financial planning needs. Non-deposit investment products and services are offered through CUSO Financial Services, L.P. (“CFS”), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. **Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.
- K. “Review Date” means the last calendar day of the month on which a Consumer Member’s accounts and loans (“Relationship”) are evaluated using the Review Cycle, to determine if the Consumer Members is eligible to be a Participant in the Program, and if eligible, to calculate points for the assignment of benefit Level, based on point criteria.
- L. “Review Cycle” means the period beginning thirty-five (35) calendar days preceding the Review Date and ending on the calendar day preceding the Review Date, inclusive.
- M. “Non-Qualifying Deposits” means internal transfers, member to member transfers and fee reversals deposited or credited to Share Checking Account(s).
- N. “Non-Qualifying Transactions” means internal transfers, member to member transfers, adjustments and fees withdrawn or charged to Share Checking Account(s).
- O. “Good Standing” means a member or membership that has not engaged in an action that would consider them not in good standing, including causing a pecuniary loss to the Credit Union, manipulating or otherwise abusing Credit Union services or products or engaging in abusive behavior as defined in the Member Conduct Policy. Please refer to the Member Conduct Policy in the Member Account Agreement and Disclosure(s) for complete details.

III. OTHER AGREEMENTS AND DISCLOSURES.

This Disclosure is in addition to other disclosures and agreements between the Credit Union and the Consumer Member, including but not limited to (as applicable), the Member Application, the Member Account Agreement and Disclosure, Truth-in-Savings disclosures, all Fee Schedules, Rate Sheets and other account agreements and disclosures, as may be modified from time to time.

IV. ELIGIBLE ACCOUNTS. For each Participant the following accounts may be included in a Participant’s relationship (“Relationship”) and are eligible, if not disqualified, to be included in the point calculation for assessment of Level eligibility:

- A. Consumer Member Share Accounts, Loans and Mortgage Loans under the memberships in which the Participant is the Primary Member.
- B. Consumer Member Share Accounts, Loans and Mortgage Loans for which the Participant is a joint owner or co-borrower under a different Consumer Membership.
- C. Business Share Accounts and Business Loans under a Business Membership for which the Participant is **designated** as an owner of the business and is a signer on the Share Account(s), or as applicable, a grantor/signer of the Business Loan(s). A business Share Account or Business Loan will not be included in a Participant’s Relationship if they are not a signer on the share account or loan even if they are designated as an owner in other documentation. In addition, the Participant owner must maintain a Consumer Membership with the Credit Union.
- D. Non-Profit and Unincorporated Association membership accounts and activity are not eligible to be included in any member Relationship for the purposes of this Program.
- E. Refer to the section below, “**Member Eligibility**”, for circumstances which disqualify a share account or loan for the Program and result in a member’s **ineligibility and exclusion** from the Program.

V. MEMBER ELIGIBILITY.

- A. Consumer Members of the Credit Union, eighteen (18) years or older, who have at least one (1) Consumer Membership that is in good standing, for which they are the Primary Member, are eligible to participate (“Participant”).
 - i. It may take up to thirty-five (35) calendar days, following the establishment of a Consumer Membership for a Primary Member to be enrolled in the Program.
 - ii. A Participant will become **ineligible and excluded** from the Program, when:
 1. An eligible loan is disqualified from the Program, for being sixty (60) days or greater past due. (Note: Once a loan is paid current, the loan will no longer be disqualified from the Program and the Participant, may again become eligible for the Program, on the next Review Date);
 2. Share Account or loan is disqualified from the Program, for resulting in a loss to the Credit Union or is charged-off; or
 3. A Share Account or loan is disqualified from the Program, resulting from suspension, restriction, or closure due to fraud, abuse or misrepresentation as disclosed in the Members Account Agreement and Disclosure and Business Members Account Agreement and Disclosure.
 4. The Participant’s eligibility status otherwise changes (for example, they cease to maintain a Consumer Membership).
- B. Non-Consumer Memberships, including Business Membership and formal trusts, estate accounts, conservatorship or guardianship, representative payee account and other fiduciary accounts (collectively referred to as “Fiduciary Membership”), are not eligible to participate in the Program.
 - i. Revocable formal trust memberships under the social security number or individual

- taxpayer identification number of a natural person are not included with the Fiduciary Membership exclusion, and are eligible to participate in the Program.
- ii. If a Participant is also the beneficiary of a conservatorship, guardianship, or representative payee fiduciary membership established under the Participant’s social security number or individual taxpayer identification number **AND** has a Consumer Membership with the Credit Union, the accounts in the fiduciary membership will be included in the Participant’s Relationship.
 - iii. Business Share Accounts and Business Loans are **ONLY** evaluated in a Participant’s Relationship, if the designated business owner under the Business Membership is a signer on the Business Share Account(s) or, as applicable, the grantor/signer on the Business Loan(s) **AND** has a Consumer Membership with the Credit Union.

VI. PARTICIPATION.

- A. **Enrollment.** If eligible, a Participant will be automatically enrolled in the Program. By establishing and maintaining a membership in good standing with the Credit Union, the Participant member is accepting the terms and conditions of the Program.
- B. **Opt-Out.** A Participant may Opt-Out of the Program by: calling (805) 543-1816 during regular business hours; or writing to P.O. Box 5360, San Luis Obispo, CA 93403-5360. When opting out in writing, include your name, signature, membership(s) number(s), the date and a statement you wish to Opt-Out of the Level Up Program.

VII. POINT STRUCTURE.

- A. **Point Categories.** The Participant through their Relationship will earn one (1) point for each of the following categories in which they meet the category’s criteria during the Review Cycle. The Credit Union will calculate points on the Review Date. No more than one (1) point will be earned for each of the categories during the Review Cycle.
 - i. **Transacting.** Participant has at least one (1) open eligible Share Checking Account with an open debit card and with eligible aggregate deposit(s) of \$500.00 or greater in the Share Checking Account anytime during the Review Cycle OR fifteen (15) or more eligible account transactions in the Share Checking Account during the Review Cycle.
 1. Non-Qualifying Deposits into Share Checking Account(s) during the Review Cycle are excluded from the aggregate deposit(s) of \$500.00 or greater calculation for the Transacting category.
 2. Non-Qualifying Transactions into Share Checking Account(s) during the Review Cycle are excluded from the fifteen (15) or more account transactions calculation for the Transacting category.
 3. For a debit card on the Share Checking Account to be considered open it must be established prior to the Review Date to be included in the Review Cycle.
 - ii. **Saving.** Participant has \$5,000.00 or greater in the calculated Average Share Account Balance for Share Accounts during the Review Cycle OR has a Wealth Management (see paragraph II. J.) relationship as of the prior month end.
 1. The Credit Union will determine eligible deposit balances for the Review Cycle for eligible Share Accounts within the Participant’s Relationship, by:
 - a. Adding the ending daily ledger balance of each eligible Share Account in the Participant’s Relationship together, to determine each calendar day’s total share deposit balance (“Daily Total Share Balance”); and
 - b. Then adding the Daily Total Share Balance for each calendar day in the Review Cycle together and divided by thirty-five (35) to determine the average share account balance (“Average Share Account Balance”) for the Review Cycle.
 2. Wealth Management1 account(s) in the Participant’s name must be opened as of the prior month end of the Review Cycle to be included in the Saving category.
 - iii. **Borrowing.** Participant has one (1) open eligible Consumer Member Loan or Mortgage Loan for which the Participant is a primary borrower or co-borrower OR the Participant is designated as an owner of the business and is a grantor/signer of a Business Loan, whose opened date is within the Review Cycle.
 1. Mortgage Loans sold to an investor by the Credit Union, as of the prior month end, will be included in the **Borrowing** or **Borrowing Again** category points calculation.
 2. Business loans for which the Participant is designated an owner of the business and grantor/signer of the Business Loan(s) and has a Consumer Membership with the Credit Union, will be included in the Participant’s Relationship for the **Borrowing** or **Borrowing Again** category points calculation.
 - iv. **Borrowing Again:** Participant has two (2) or more open eligible Consumer Member or Mortgage Loans, for which the Participant is a primary borrower or co-borrower OR designated as an owner of the business and as applicable, grantor/signer of a Business Loan and has a Consumer Membership with the Credit Union.
 - v. **Loyalty:** Participant has maintained a continuous membership with the Credit Union for seven (7) or more years.
- B. **Point Levels.** Points are calculated each Review Date using activity during the Review Cycle, or as noted in paragraph VII. A. iii. 1. above (regarding Mortgage Loans sold to an investor), to determine the Level.
 - i. A Participant’s Relationship that qualifies for a higher Level will be moved to the new Level, effective the first calendar day of the next month following the preceding Review Date. (Note: All dates listed in the following examples are calendar days.)
 1. For example:

Level on March 30 th	Review Date Results March 31 st	Level on April 1 st
Level 1	Level 3	Level 3

- ii. A Participant’s Relationship that qualifies for a lower Level will be given a one (1) time Grace Review Period (one (1) within each rolling twelve (12) month period) to re-qualify for the higher Level before being assigned a lower Level. If within this Grace Review Period the Relationship does not re-qualify for the higher Level, the Relationship will be assigned the lower Level calculated on the (next) Review Date and effective the first calendar day after the (next) Review Date (Example 1).

1. Example 1:

Level on March 30 th	Review Date Results March 31 st	Level on April 1 st (Grace Period Review)	(next) Review Date Results April 30 th	Level on May 1 st
Level 3	Level 2	Level 3	Level 2	Level 2

2. If during the Grace Review Period the Relationship dropped a Level even

lower than the Level calculated on the previous Review Date, it will be the Level calculated on the (next) Review Date that will be assigned (Example 2).

Example 2.

Level on March 30 th	Review Date Results March 31 st	Level on April 1 st (Grace Period Review)	(next) Review Date Results April 30 th	Level on May 1 st
Level 3	Level 2	Level 3	Level 1	Level 1

- iii. Levels will be provided on the membership share statement of the Participant and will represent the Participant's Level for the month following the Statement Period end date. Participant's receiving a quarterly statement may call the Credit Union at (805) 543-1816 or visit any branch to obtain the Relationships current Level.
- iv. Point calculations and the benefit Level are **only** applicable to the Participant's Relationship for the month they are assigned and cannot be saved or transferred for future use beyond the period for which they have been calculated, excluding the Grace Review Period detailed above.
- v. Point calculations and Level benefits are not transferrable or assignable to other persons or accounts.

VIII. LEVEL BENEFITS.

A. Level One (1). Participant earned zero (0) to one (1) point during the Review Cycle as calculated on the Review Date. Level One benefits are general or Everyday Member Benefits¹ and are available to Credit Union members in accordance with disclosures and agreements between the Credit Union and the Consumer Member, including but not limited to (as applicable), the Member Application, the Member Account Agreement and Disclosure, Truth-in-Savings disclosures, all Fee Schedules, Rate Sheets and other account agreements and disclosures, as may be modified from time to time. Benefits in this Level include:

- i. HomeFREE Checking Account. HomeFREE Checking has no minimum balance requirement and no monthly maintenance fee. Credit Union membership required to open a HomeFREE Checking account.
- ii. Basic Checking Account. Basic Checking has no minimum balance requirement, no monthly maintenance, overdraft or NSF fees and no fee for purchase of Cashier's Checks. Basic Checking is BankOn certified. Credit Union membership required to open a Basic Checking account. Basic Checking incurs a \$2.00 monthly fee for receipt of paper statements.
- iii. Access to Direct Deposit Funds up to One Day Early. Early access to direct deposit funds subject to employer and/or payor terms and conditions. The Credit Union general makes these funds available on the day the payment file is received, which may be up to one (1) day earlier than the scheduled payment date. The Credit Union cannot guarantee early access of a direct deposit payment. Other exceptions may apply.
- iv. Identity Theft Recovery + Mobile Phone Insurance is a complimentary service with an open HomeFREE Checking Account. Service requires Participant to agree to separate terms and conditions. Refer to **Identity Theft Recovery + Mobile Terms and Conditions** at www.sesloc.org for more information.
- v. SESLOC Rewards is a rewards program with a HomeFREE Checking Rewards Debit Card or a Visa Signature® Rewards Credit Card. Rewards points earned with both cards can be combined for redemption purposes. Program requires Participant to agree to separate terms and conditions. Refer to **SESLOC Rewards Terms and Conditions** at sesloc.org for more information. Visa Signature® Rewards Credit Card loan is subject to credit union approval.
- vi. Surcharge-free ATM transactions at all SESLOC and CO-OP owned ATMs.
- vii. Free financial education opportunities, including SESLOC webinars, ebooks, digital calculators, financial counseling. SESLOC webinar events subject to availability and cancellation without advance notice. Virtual Financial Coach and Financial Counseling is through GreenPath Inc. and requires Participant to agree to separate terms and conditions and privacy notice. Restrictions, limitations and disclaimers apply.
- viii. Discounted Rates on TruStage™ Insurance products. Insurance products through TruStage® is offered by TruStage Insurance Agency, LLC and underwritten by: 1) CMFG Life Insurance Company for AD&D and Life Insurance; and 2) issued by leading insurance companies for Auto Insurance. Eligibility, restrictions and fees apply. Discounts are not available in all states and discounts may vary by states. Program requires Participant to agree to separate terms and conditions. **The insurance offered is a not a deposit and is not federally insured. The insurance coverage is not sold or guaranteed by the Credit Union.** Refer to sesloc.org for more information.
- ix. Free shredding of confidential documents during scheduled SESLOC sponsored Shred Day events. Events subject to cancellation without advance notice. Members must be present at the event to redeem complimentary shredding services. Assumes shredding at maximum of 80 pounds.
- x. Free Notary on SESLOC documents.
- xi. Free Remote and Digital Banking.
- xii. Fee-free loan payment options. EasyPay payment services requires Participant to agree to separate terms and conditions. Restrictions and limitations apply. Refer to sesloc.org for more information.
- xiii. No prepayment penalties on early payoffs of SESLOC loans. Refer to Loan Agreements and Disclosures.

B. Level Two (2). Participant earned two (2) to three (3) points during the Review Cycle as calculated on the Review Date. Benefits in this Level include:

- i. All benefits in Level One.
- ii. Unlimited Stop Payment Fees Waived Upon Request for Draft (Check) or ACH presentment. Stop Payment Fees are waived at the time of the request if the request is given and completed by a Credit Union employee in branch or by calling (805) 543-1816. Draft Stop Payment Fees resulting from a requested Stop Payment through Online or Mobile Banking will be refunded to the Share Checking Account within 30 calendar days of the request. This benefit excludes Stop Payment Fees for requests on Cashier's Checks. A Stop Payment request on a Cashier's Check will be charged the disclosed fee. Refer to the Fee Schedule for more details.
- iii. Up to twelve (12) Non-SESLOC and Non-CO-OP ATM Transaction Fees waived per calendar year for ATM transactions at Non-SESLOC and Non-CO-OP ATMs.
 1. The Level Up fee waiver benefit at non-SESLOC or non-CO-OP ATMs, is only for SESLOC's Non-SESLOC and Non-CO-OP ATM Transaction fee. Any fees charged by the ATM operator still apply and will be charged as disclosed at the ATM by the operator.
 2. The International Assessment Serve Fee (ISA) as disclosed in the Member Account Agreement and Disclosure and Fee Schedule will be charged for foreign currency transactions or withdrawals at non-US ATMs.
 3. Non-SESLOC and Non-CO-OP ATM Transaction Fees are only waived within the month the benefit applies based on the Level assigned following the Review Date.
 4. If a Participant's assigned Level decrease, (i.e. goes from Level 2 to Level 1), Non-SESLOC and Non-CO-OP ATM Transaction Fees **will not** be waived in the month the Participant's is in the Level for which the benefit does not apply (i.e. Level 1).
 5. If the Participant requalifies for Level 2, Non-SESLOC and Non-CO-OP ATM Transaction Fees will again be waived up to the maximum limit (12) for the benefit Level within that calendar year.

6. Non-SESLOC and Non-CO-OP ATM Transaction Fee waiver counters do not carry over a calendar year (December 31st).

Level Effective on the 1 st of the Month	March 1 st Level 2	May 1 st Level 1	June 1 st Level 2	August 1 st Level 1	October 1 st Level 2
Non-SESLOC or Non-CO-OP ATM Withdrawals	4	2	5	3	5
Non-SESLOC or Non-CO-OP ATM Fees Waived	4	None	5	None	3

- iv. A 0.25% interest rate reduction on a New Closed End Consumer Auto (vehicle), Unsecured Signature, Computer or Sustainable Loan.
 1. This interest rate discount **does not** apply to the refinancing of an existing Credit Union Consumer Loan.
 2. New credit card accounts, personal lines of credit, Home Equity Line of Credit (HELOC), Mortgage Loans, Instant Funds loans, youth agriculture loans and loans secured by a share account or share certificate are **NOT** eligible for the rate discount benefit.
 3. All loans subject to Credit Union approval.
- v. A \$75.00 credit toward the loan origination costs for a new closed-end Mortgage Loan.
 1. New Home Equity Lines of Credit (HELOC) loans are **NOT** eligible for the credit toward the loan origination cost benefit.
 2. Mortgage loans subject to Credit Union approval.

C. Level Three (3). Participant earned four (4) or five (5) points during the Review Cycle as calculated on the Review Date. Benefits in this Level include:

- i. All Benefits in Level One.
- ii. Check Order Cost for Two (2) Standard SESLOC Check Orders, up to \$44.00 value, per calendar year. Check order request must be made to a Credit Union employee in branch or by calling (805) 543-1816. Check order placed, unassisted through the digital channels (Online Banking or Mobile App) or by calling Harland Clarke or any other check vendor, will be charged and **NOT** waived.
- iii. Unlimited Stop Payment Fees Waived Upon Request for Draft (Check) or ACH presentment. Stop Payment Fees are waived at the time of the request if the request is given and completed by a Credit Union employee in branch or by calling (805) 543-1816. Draft Stop Payment Fees resulting from a requested Stop Payment through Online or Mobile Banking will be refunded to the Share Checking Account within 30 calendar days of the request. This benefit excludes Stop Payment Fees for requests on Cashier's Checks. A Stop Payment request on a Cashier's Check will be charged the disclosed fee. Refer to the Fee Schedule for more details.
- iv. Up to twenty-four (24) Non-SESLOC and Non-CO-OP ATM Transaction Fees waived per calendar year for ATM transactions at Non-SESLOC and Non-CO-OP ATMs.
 1. The Level Up fee waiver benefit at non-SESLOC or non-CO-OP ATMs, is only for SESLOC's Non-SESLOC and Non-CO-OP ATM Transaction Fee. Any fees charged by the ATM operator still apply and will be charged as disclosed at the ATM by the operator.
 2. The International Assessment Serve Fee (ISA) as disclosed in the Member Account Agreement and Disclosure and Fee Schedule will be charged for foreign currency transactions or withdrawals at non-US ATMs.
 3. Non-SESLOC and Non-CO-OP ATM Transaction Fees are only waived within the month the benefit applies based on the Level assigned following the Review Date.
 4. If a Participant's assigned Level decrease, (i.e. goes from Level 3 to Level 2), Non-SESLOC and Non-CO-OP ATM Transaction Fees will be waived up to the current Level benefit. (For example: for Level 2 this would be 12 and for Level 1 no Non-SESLOC and Non-CO-OP ATM Transaction Fees would be waived.)
 5. If the Participant requalifies for Level 3, Non-SESLOC and Non-CO-OP ATM Transaction Fees will again be waived up to the maximum limit (24) for the benefit Level within that calendar year.
 6. Non-SESLOC and Non-CO-OP ATM Transaction Fee waiver counters do not carry over a calendar year (December 31st).

Level Effective on the 1 st of the Month	January 1 st Level 3	March 1 st Level 2	May 1 st Level 1	June 1 st Level 3	August 1 st Level 1	October 1 st Level 2
Non-SESLOC or Non-CO-OP ATM Withdrawals	6	4	5	7	3	5
Non-SESLOC or Non-CO-OP ATM Fees Waived	6	4	None	7	None	None

- v. A 0.38% interest rate reduction on a New Closed-End Consumer Auto (vehicle), Unsecured Signature, Computer or Sustainable Loan.
 1. This interest rate discount **does not** apply to the refinancing of an existing Credit Union consumer loan.
 2. New credit card accounts, personal lines of credit, Home Equity Line of Credit (HELOC), Mortgage Loans, Instant Funds loans, youth agriculture loans and loans secured by a share account or share certificate are **NOT** eligible for the rate discount benefit.
 3. All loans subject to Credit Union approval.
- vi. A \$125.00 credit toward the loan origination costs for a new closed-end Mortgage Loan.
 1. New Home Equity Lines of Credit (HELOC) loans are **NOT** eligible for the credit toward the loan origination cost benefit.
 2. Mortgage loans subject to Credit Union approval.

D. Consideration for New Closed-End Consumer Auto (vehicle), Unsecured Signature, Computer or Sustainable Loan or New Closed-End Mortgage Loan. At the time a Participant is approved for a new Closed-End Consumer Auto (vehicle), Unsecured Signature, Computer or Sustainable Loan or new Closed-End Mortgage Loan, the Credit Union will determine if the new loan would qualify the Participant for a higher Level after reviewing the Participant's current Level.

- i. If the Participant qualifies for a higher Level with the new loan, the associated rate discount benefit for a new closed-end Consumer Auto (vehicle), Unsecured Signature, Computer or Sustainable Loan or the credit towards the loan origination costs benefit for a new closed-end Mortgage, the Credit Union will apply the appropriate benefit to the new loan.
- ii. Applying the appropriate benefit to the new loan, **DOES NOT** change the current Level for the Relationship and no other benefits outside the Participant's current Level will be applied at that time. The Participant's Level will continue to be assigned at the time of the Review Date.

IX. PROGRAM CHANGES. The Program's terms, conditions and benefits, may be amended at the sole discretion of the Credit Union and are subject to change without notice, except where required by law.