1. Accepting This Agreement/Signing the Card: Use of your BDC means you agree to all terms in this Agreement.

The Business Owner is responsible for the security of the card(s) and for the actions of any person for whom the Business Owner permits use of the card(s), and for all use of the card(s), whether by an authorized User or by another person, unless the Business Owner has canceled the card as set forth below. You understand and agree that Navy Federal will not be responsible for unauthorized transactions by you, another person, or an authorized User or by another person, unless the Business Owner has canceled the card as set forth below.

2. Membership: You must be a Navy Federal business member, have an open checking account, and be at least 18 years of age or an emancipated minor to obtain a BDC.

a. Account Closure: As stated in the Navy Federal Business Solutions Disclosure Booklet (NFU 97BD), if you or Navy Federal close your account, we may deposit or debit items received, or reopen your account and process debits and credits against the account, including, for example, debit card transactions and provisional credit reversals. You agree to immediately repay all amounts you owe to us after the close of the account. Reopening the account will not reopen or reinstate debit cards or other means of account access that were closed, terminated, or disconnected when the account was closed. Navy Federal may restrict the types of transactions, including debit card transactions, allowed on your account after the account is reopened and may close your account after processing debits and credits.

b. Available Balance. The Available Balance indicates the amount of funds available for withdrawal or use at that moment. The Available Balance includes pending transactions that have been authorized but may not yet have been processed (posted), such as BDC Point of Sale (POS) transactions, online transfers, automatic teller machine (ATM) transactions, or pending deposits, but does not include items such as scheduled Bill Pay transactions, deposits with holds on them, and checks that you have written but that have not yet cleared your account.

c. Current Balance. The Current Balance is calculated after all transactions have posted to your account after the end of the business day (Eastern Time). We first process (post) all money coming in to your account (debits, withdrawals, etc.) in a pre-determined order. The following frequently used debit transactions are processed in groups in this order: 1) Branch withdrawals; 2) ATM withdrawals; 3) BDC or POS transactions that merchants have presented to us for payment; 4) Transfers from one Navy Federal account to another; 5) ACH; and 6) Checks. When more than one transaction from a group is processed on the same day, the items will be processed in the order of lowest to highest amount within that group of transactions.

d. Transaction Authorization. When using your BDC to make a purchase, the transaction is authorized based on your Available Balance plus any Checking Protection option you have enrolled in at the time of the purchase. Once a transaction is authorized, a temporary hold is placed on your account for the amount of the transaction, which may cause a decrease in your Available Balance. This hold does not affect or otherwise adjust your Current Balance. This hold will be removed when the transaction posts to your account or after 3 business days, whichever comes first. Although the hold may be removed after 3 business days, the merchant has up to 180 calendar days to present the transaction for posting. In some cases, the hold may exceed or be less than the amount of the transaction; for example, for some purchases made at gas stations, restaurants, or hotels, or for car rentals. Funds subject to a hold are not necessarily the same funds that are ultimately used to pay for a transaction. Ordinarily, we will not authorize BDC transactions unless you have sufficient funds available in your checking account or Checking Protection option you may have. If we process and authorize a BDC transaction, or place a hold that is less than the final transaction amount, we will pay the transaction even if you have insufficient funds and even if you did not opt in to a Checking Protection option for BDC transactions.

Note: please note, however, that even though a transaction has been authorized, it still might result in an overdraft if you initiate other transactions that are processed before it. So, do not consider a transaction authorization as a guarantee to an insufficient funds in your checking account when it posts to your account.

e. Account Hold. A hold may be placed on your Checking Protection option as set forth below. For example, if you have a Checking Protection option, you may be assessed fees or interest.2 If your checking account goes into an overdraft status and funds are available in your linked savings account, we will transfer all or some of the funds from the savings account to the overdraft checking account to reduce or eliminate the overdraft amount, as permitted by law.3 The business member and the owner(s) authorize Navy Federal to transfer funds from an account, including an overdraft in your checking account, to your CLOC or other linked savings account, to pay for activities we believe may violate law or pose significant risk to us or our members.

2. Membership:


b. Current Balance.

c. Transaction Authorization.

d. Account Hold.

3. How Transactions Are Authorized and Posted to Your Account: It is important to understand that your checking account has two kinds of balances: the Available Balance and the Current Balance.

4. Transactions and Limits: Your BDC may be used to:

- pay for goods and services wherever the Visa® Card is accepted
- withdraw cash from your checking or savings accounts, as well as your MMA (if applicable)
- make deposits to your checking and savings accounts, manage balances, and transfers
- obtain cash back with a purchase at participating Interlink® or Maestro® merchants.

Purchase transactions with cash back are posted against checking accounts only and your CLOC.

5. Use of Card for Illegal or Risky Transactions: It is your responsibility to comply with all laws when using your Navy Federal BDC. You agree to hold us harmless for any damages or other liability arising from transactions initiated by you for the purpose of conducting illegal activity. We reserve the right to decline authorizations and/or cardholder disputes due to participation in transactions for activities we believe may violate law or pose significant risk to us or our members.

6. Liability for Failure to Complete Electronic Fund Transfers: If we do not complete a transaction using your BDC on time or in the correct amount, when property instructed by you according to the terms of this Agreement, we will be liable for damages caused by our failure, with some exceptions. We will not be liable in any of the following events:

- if, through no fault of ours, you do not have enough money in your account or available in your selected Checking Protection option to make the transfer or transaction.
- if the funds in your account are subject to legal process, such as garnishment or attachment, or if the account is subject to a legal or security agreement.
- if the ATM from where you are making the transfer does not have enough cash.
- if the ATM was not working properly and you knew about the breakdown when you started the transfer or transaction.
- if, despite reasonable precautions that we have taken, circumstances beyond our control (such as fire, power failure, or flood) prevent the transfer.

7. Foreign/International Transactions: Transactions using your BDC made in foreign countries will post to your account in U.S. dollars and will be charged an International Service Assessment (ISA) fee. The ISA fee will be charged as a separate transaction on your statement. The fee will be assessed on purchases and ATM transactions as follows:

a. Transactions made in foreign countries will be charged 1.0% of the transaction amount.

8. Documentation of Transaction Receipts: It is recommended that you obtain a transaction receipt at the time you make any transaction using your BDC at an ATM or POS terminal and retain the receipt copy for a period of at least 90 days. Your checking account statement will identify the merchant, financial institution, or electronic terminal where transactions are made, and the dollar amount of the transaction, which you will get a pledge of security agreement. You may also view your statement and account balances on our website at navyfederal.org or by using our mobile app.

9. Fees: There is no fee for using your BDC to make a purchase at a merchant location; however, participating merchants may impose a fee for the cash-back portion of the transaction. Purchase cash-back amount limits may vary depending on store policy. If the amount of a BDC purchase transaction exceeds the available balance in your checking account or CLOC on the date the transaction is paid, your account will be assessed a fee in the amount shown on Business Solutions’ current Schedule of Fees and Charges (NFU 1284-B). You will also be charged this fee for each subsequent POS transaction that causes your account to become further overdrawn that same day. For a list of free ATMs, please check our website at navyfederal.org. ATM fees are disclosed in the Schedule of Fees and Charges (NFU 1284-B). If you use a non-Navy Federal ATM, you may be charged a fee by the ATM operator. Additionally, you may be charged a fee for a balance inquiry even if you do not complete an electronic funds transfer.

10. Refusal to Honor Your BDC: You agree Navy Federal is not responsible or liable for any merchant, financial institution, or other party that refuses to honor your BDC.

11. Ownership and Cancellation of the BDC: The BDC is the property of Navy Federal. Navy Federal has the right to cancel your BDC or revoke your BDC privileges at any time without notice to you.
12. Disclosure of Information to Third Parties: Navy Federal will disclose information to third parties about your BDC or checking account or the transfers you make in any of the following circumstances: If we are unable to complete an electronic transfer because of non-sufficient funds; where it is necessary to complete the transaction; to verify the existence or conditions of your account for a third party, such as a credit bureau or merchant; in order to comply with a government agency or court orders; if you give us written permission; or in accordance with our privacy policy. Additionally, you may have agreements with merchants to keep your BDC on file. You acknowledge that Navy Federal may share your BDC information with the participating network in order to keep your card information current and/or facilitate uninterrupted processing of your recurring payments.

13. Stop-Payment for Pre-Authorized Recurring BDC Transactions: We can only honor stop-payment requests for transactions using your BDC on pre-authorized recurring transactions or services. If you have told us in advance to make regular payments out of your account using your BDC, you can request us to stop any of these payments. In order to initiate a stop payment request, you must contact us via phone or in writing using the information above in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to confirm your request in writing within 14 days after you call. If you request us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

14. In Case of Unauthorized Use of BDC, Errors, or Questions About Your Electronic Transfers: You may verify the posting of your transfers, or if you need more information about a transaction, you can call us at the telephone numbers listed at the beginning of this agreement and disclosure. You can also access your account information through ATS, Navy Federal Online Banking, or our Mobile application. If you believe that your BDC or personal identification number (PIN) has been lost, stolen, used (or may be used) without your authority, or you suspect unauthorized or erroneous BDC transactions have posted to your account, tell us at once. Informing us immediately and assisting with our investigation is the best way for you to minimize your possible losses. Be prepared to provide the following information:

- Your name and account number.
- A description of the error or the transfer you are unsure about, and clearly explain why you believe it is an error or why you need more information.
- The date and dollar amount of the suspected error and the name of the merchant or originator.

We may require you to submit a Statement of Forgery (NFCU 562A) or compatible documentation in writing to assist our investigation. We will investigate and inform you of the results of our investigation within 45 days.

If you are disputing a Bill Pay (BP) transaction, contact Checkfree directly at 1-888-560-8031.

15. Disputing an Authorized Transaction: Disputed transactions, other than unauthorized or erroneous transactions, such as defective, damaged, or non-receipt of merchandise or services, or items received “not as described” will be handled at our discretion. You agree to make a good faith attempt to resolve discrepancies with the merchant. Proof of your attempt to resolve with the merchant may be requested to support your claim. If your good faith attempt is not successful, Navy Federal may act on your behalf to pursue recovery of funds from the merchant, based on your statement supporting your claim, as well as any documentation we may request. We may not be able to recover your funds. We will report the results of the dispute resolution process to you within 120 days; however, we are not obligated to issue a Provisional Credit during the dispute resolution process.

Transaction(s) conducted through a person-to-person payment service provider that transfers funds, such as the Zelle® network and Cash App, is/are intended for use among those you trust, but it should not be used to pay strangers. There are no protections or warranties for the purchase of goods and services. Navy Federal is unable to pursue these merchants or the 3rd party recipient for recovery on your behalf, so always double check you have the recipient’s correct mobile number or email address before sending funds through such services.

16. Merchant Credits: Merchants and others who honor the BDC may give credits for returns or adjustments. This amount will appear as a credit to your statement on your checking account statement.

17. Governing Law: This Agreement, including any claim or dispute arising under it, shall be governed by federal law and the laws of the Commonwealth of Virginia.

18. Notice of Claim: Neither you nor Navy Federal may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party’s actions pursuant to this Agreement or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Agreement, until such party has notified the other party of such alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action.