

The background of the entire page is a sunburst pattern with rays emanating from the bottom center. The rays are light blue and white, creating a bright, upward-pointing effect. The bottom portion of the page is a solid dark blue gradient.

# TC

TRAVERSE CATHOLIC  

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FEDERAL CREDIT UNION

“Financial Services for the  
**Community.**”

**MEMBERSHIP  
AND  
ACCOUNT  
AGREEMENT**

# TRAVERSE CATHOLIC FEDERAL CREDIT UNION

## MEMBERSHIP & ACCOUNT AGREEMENT

This is the Agreement (“Agreement”) between you (the member) and TRAVERSE CATHOLIC FEDERAL CREDIT UNION (“Credit Union”), a Credit Union whose principal place of business is located at 3797 Veterans Drive, Traverse City, MI 48684, regarding your accounts with the Credit Union. By establishing an account with the Credit Union, you agree that this Agreement is a binding contract between you and the Credit Union.

You should retain a copy of the Agreement and feel free to call the Credit Union if you have any questions. By signing a Membership Application and Agreement, you agree to be bound by, and acknowledge receipt of, this Agreement, along with certain disclosures required under the Truth-In-Savings Act and various other laws, as well as the regulations related to those laws. The words “you” and “your” mean you as a member and any joint members or joint owners on the accounts covered by this Agreement. The words “we,” “our,” “us,” and “Credit Union” mean Traverse Catholic Federal Credit Union.

## PATRIOT ACT NOTICE

Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that

identifies each person who opens an account. What this means for you: When you open a new account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

## **MEMBERSHIP**

Membership in Traverse Catholic Federal Credit Union is open to any person qualifying under the credit union's bylaws.

**Becoming a Member.** To become a member of the Credit Union, you must complete a Membership Application and Agreement and open a Prime Share Savings Account. The basic share deposit that you must always keep in your Prime Share Savings Account to retain membership is \$5.00.

## **SHARE ACCOUNTS**

**Deposits.** After you have established your Prime Share Savings Account, you may make additional deposits into that account, or establish additional share accounts and other types of accounts as described below, at any time and in any amount. We may establish minimum amounts for deposits in your Share Accounts or other accounts. Your Prime Share Savings Account and your other Share accounts will be referred to singularly in this Agreement as "Share Account" and collectively as "Share Accounts," as applicable. Additional Share Accounts can be established by completing an Application to Add Account.

You can make deposits in person or by mail. At the present time, you can arrange to have one or more of the following deposits made directly by the payer to your Share Accounts: (1) payroll deduction deposits, (2) net pay deposits, (3) Social Security deposits, (4) pension plan deposits, (5) stock dividends or (6) other miscellaneous deposits. If you have an automatic teller machine (ATM) card, you can also make a deposit through automated teller machines equipped to accept deposits. If you have applied for and been given access to our Telephone Banking service or our Home Banking service, you can also transfer funds from one account to another, provided you are an owner on every account involved in the transfer.

### **Withdrawing Money from Your Share Accounts.**

As long as you have money in your account, and subject to any applicable state or federal laws and regulations and the Credit Union's Bylaws, money can be withdrawn from your account by any method approved by the Credit Union. You may not withdraw money from any share account that has been established by the credit union for the purpose of administering tax and insurance escrow arrangements in connection with a mortgage; when the mortgage is paid in full any remaining balance in such an account will be automatically transferred to your Prime Share Savings Account unless you make other arrangements with us.

### **Rate and Annual Percentage Yield ("APY").**

Your Share Accounts will earn what are known as dividends. Dividends are like interest, except that the rate of dividends is set by the Credit Union's Board of Directors (the "Board") from time to time, and dividends are not guaranteed. The Credit Union estimates a prospective dividend

rate and corresponding annual percentage yield (APY) on your Share Accounts for each dividend period. The dividend rate and APY may change every calendar month as determined by the Credit Union. This is a variable rate account. The Credit Union's current dividend rates will be available each business day at our office. The words "dividend" (or "dividends") and "interest" may be used interchangeably in this Agreement. Refer to our current Rate Schedule for our current dividend rates.

**Compounding.** We compound your dividends, even though that isn't required by law. Compounding is more favorable to you, because once dividends have been earned by your account they are added to the balance on which you will earn future dividends. Because we compound dividends, the actual yield on your account will be somewhat higher than the annual dividend rate. The Annual Percentage Yield (APY) will be posted along with the annual dividend rate.

For this account type, the dividend period is the calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. Dividends will be compounded monthly. The prospective dividend rate for each month will be determined in the in the previous month. The dividend declaration date follows the ending date of a dividend period, and for the example above is February 1.

**Crediting Dividends.** Dividends will be credited monthly. Dividends are not available to you until they have been credited to your

account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable dividend period. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued but unpaid dividends.

**Minimum Balance to Earn Dividends.** You earn dividends on your Share Accounts each day that your account balance is \$5.00 or more. We reserve the right to adjust minimum deposit balance requirements from time to time.

**How Withdrawals Affect Dividends.** Even though we don't credit your dividends to your account until the date specified above, we calculate them on a daily basis. Therefore, if you make a withdrawal, you won't receive any further dividends on the withdrawn amount from the day you make the withdrawal until the day that dividends are credited.

## **SHARE DRAFT (CHECKING) ACCOUNTS**

**Deposits.** A Share Draft (Checking) Account is established by you designating the appropriate option on the Membership Application and Agreement or, if it is established after your Prime Share Savings Account is opened, by completing an Application to Add Account. After you have established your Share Draft Account, you may make additional deposits into that account at any time and in any amount subject to the terms of this Agreement and any other additional disclosures we provide you. We require an initial deposit as determined by us from time to time for your Share Draft Account,

and you must maintain a basic Prime Share Savings of \$5.00 on deposit in your Prime Share Savings Account to retain a Share Draft Account. Share Draft Accounts do not earn dividends or interest. For purposes of this Agreement, these accounts will be referred to herein as “Checking Accounts” and share drafts and checks drawn on the account will be referred to simply as “checks.” Your Christmas Club account will be treated as a Checking Account for purposes of this Agreement except that a \$5.00 minimum balance must be maintained at all times except after the annual disbursement of the funds in the account, checks will not be provided, and no electronic withdrawals will be allowed.

You can make deposits in person or by mail. At the present time, you can arrange to have one or more of the following deposits made directly by the payer to your Checking Account: (1) payroll deduction deposits, (2) net pay deposits, (3) Social Security deposits, (4) pension plan deposits, (5) stock dividends or (6) other miscellaneous deposits. If you have an automatic teller machine (ATM) card, you can also make a deposit through automated teller machines equipped to accept deposits. If you have applied for and been given access to our Telephone Banking service or our Home Banking service, you can also transfer funds from one account to another, provided you are an owner on every account involved in the transfer.

**Withdrawing Money from Your Checking Account.**

As long as you have money in your Checking Account, and subject to any applicable state or federal laws and regulations, the transaction limitations in this Agreement, including the Truth in Savings Disclosure, and the Credit Union’s Bylaws, money can be withdrawn from

this account by any method approved by the Credit Union. If checks are not ordered through the Credit Union, the Credit Union will assess a fee whenever problems in clearing such checks in an automated fashion arise. When you order checks through the Credit Union, the Credit Union will charge your account for the cost of those checks, which will vary depending on the style ordered. You may select checks from the current styles available. You agree that we may refuse to pay a check you write if it is presented at our offices by a person (other than a bank, clearing house, or governmental unit) who is not a member unless the presenter pays us the Non-Member Check Cashing Fee set forth in our Fee Schedule.

**Funds Availability.** Funds from deposits you make into your Checking Account may not always be immediately available for withdrawal. Information about our funds availability policy is provided to you in the “Funds Availability” disclosure included further below in this Agreement.

**Payment of Checks.** The Credit Union is under no obligation to pay a check that is more than 6 months old. Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a check. All checks drawn on your Checking Account may be returned by us unpaid for any reason that checks are normally returned, such as, for example, insufficient funds, uncollected funds, or litigation.

**Overdrafts (NSF Transactions).** The Credit Union is under no obligation, unless it has contracted to the contrary, to pay a check you have written or any other transaction presented

for payment from your Checking Account if it would result in this Checking Account being overdrawn (such a check or other item presented for payment your Checking Account when insufficient available funds are on deposit in the account is known as an “NSF Transaction”). However, the Credit Union may pay such check or other transaction and charge the amount of the resulting overdraft plus any applicable service charge against your Prime Share Savings Account or any of your other accounts. Subject to applicable law, the Credit Union may pay checks or other presented for payment from your Checking Account (including checks payable to the Credit Union or on which the Credit Union may be liable) in any order determined by the Credit Union, even if paying a particular check or other transaction results in an insufficient balance in your Checking Account to pay one or more other transactions that otherwise could have been paid out of your Checking Account.

The Credit Union has the option of honoring an NSF Transaction or dishonoring it to avoid the creation of an overdraft. Honoring of past overdrafts does not obligate the Credit Union to honor them in the future. The Credit Union is not required to send prior notice of checks or other transactions returned because they would, if paid, overdraw the account. The amount by which your account is overdrawn is due and payable to the Credit Union upon our demand, and you agree to pay the full amount of it to us, together with any applicable fees as set forth in the Fee Schedule. You also authorize us, in such a case, to apply from any other shares or deposits you may have in the credit union (except for an Individual Retirement Accounts or other account permitting tax deferrals or providing other tax benefits under state or

federal law) any amount necessary to pay such overdrawn amount and fees.

If this is a joint account (that is, if two or more people are parties to this account), all of the joint owners are jointly and severally liable to repay the Credit Union the amount of any overdraft and service charges, regardless of which of the parties writes the draft that creates an overdraft.

If the Credit Union has contractually agreed to provide you with overdraft protection, such as through a share transfer agreement, it will pay overdrafts in accordance with the terms of the applicable agreement(s) when sufficient funds are available through such agreements to pay the overdrafts.

When determining whether a check or other transaction presented for payment from your Checking Account is an NSF Transaction, both for the purpose of determining whether and how to pay the transaction and whether a fee related to the transaction being an overdraft may be charged, the Credit Union will use the “Available Balance” for your Checking Account at the time the transaction is presented. The Available Balance is the balance shown on our books (“Ledger Balance”) reduced by (i) the amount of any holds in place with respect to deposited checks or other items, (ii) the amount in the account that is subject to any preauthorization requests related to the account that have been accepted by the Credit Union, (iii) amounts in the account that are subject to holds based on court, tax agency, or other governmental proceedings, and (iv) amounts that we believe are subject to a dispute over ownership or other rights. Examples of preauthorization requests are holds related to purchase transactions where

the final amount is initially unknown, such as gas station purchases, restaurant charges, and hotel or car reservations, but there are other types of preauthorization requests that could affect your account as well. Note that the use of the Available Balance for these purposes may cause a fee related to an overdraft to be charged, or a line of credit advance or transfer from another account to be made, even though your periodic statement may not reflect any time when the balance (periodic statements use Ledger Balances) would be negative.

**Truncated Checks; Statements.** Your canceled checks (the checks drawn against your account that we honor) will not be returned to you, they will become Credit Union property and be held by us (“truncated”) for you. They also may be truncated earlier in the check clearing process, such as by the bank into which the payee deposits them. This may be done either pursuant to a contractual electronic presentment process or under a federal law commonly referred to as “Check 21.” Your monthly statement will itemize your canceled checks by number, date of clearing and the amount of the check. Any objection respecting any item shown on a periodic statement is waived unless made in writing to the Credit Union within sixty (60) days after the statement is mailed. A copy of any check will be available to you as required by law. There may be a small fee to obtain a copy of a check (see the Fee Schedule for a list of fees). When a copy of a check is requested, the Credit Union may provide it to you in the form of a “substitute check” as prescribed in the “Check 21” law. Upon issuance, the Credit Union will provide you with a disclosure regarding your rights regarding substitute checks and how you may make a claim for a refund for losses related

to a substitute check.

## **Stop Payments.**

**Stop Payment Order Request.** You may request a stop payment order on any check drawn on your account. To be binding, an order must be dated, signed within 14 days, and describe the account and check number and the exact amount. The stop payment order will be effective if the Credit Union receives the order in time for the Credit Union to act upon the order and the order states the number of the account, number of the check, and its exact amount. You understand that the exact information is necessary for the Credit Union’s computer to identify the check. If you give us incorrect or incomplete information, we will not be responsible for failing to stop payment on the check. If the stop payment order is not received in time for us to act upon the order, we will not be liable to you or to any other party for payment of the check. If we re-credit your account after paying a check over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to transfer to us all of your rights against the payee or other holders of the check, and to assist us in any legal action.

**Duration of Order.** A stop payment order is effective for six (6) months and may be renewed in writing from time to time. We have no obligation to notify you when a stop payment order expires.

**Liability.** Fees for stop payment orders are set forth on the Fee Schedule. You generally may NOT stop payment on any certified

check, teller's check, or any other check or payment guaranteed by us. Even if payment of such an item is stopped, you may remain liable to any item holder, including us. You agree to indemnify and hold the Credit Union harmless from all costs, including attorney's fees, damages or claims related to (1) our refusing payment of an item, including claims of any multiple party, account owner, payee, or endorser or (2) our failing to stop payment of an item as a result of incorrect information provided by you.

**Payment of Checks and other Transactions after Death.** The Credit Union may, after the date of your death, pay checks drawn before death and other transactions you authorize before your death unless ordered to stop payment by the Personal Representative or other appropriate person claiming an interest in the account.

## **MONEY MARKET ACCOUNTS**

**Establishing Account and Rate.** A Money Market Account may be established by you designating the appropriate option on the Membership Card and making a deposit or, if it is established after your Prime Share Savings Account is opened, by completing an Application to Add Account. Refer to the Rate Schedule for current dividend rates and APY. You may also visit any office, contact us at 1-231-946-6655, or go to [www.etcfcu.org](http://www.etcfcu.org) to obtain current rate information. Withdrawals from this account will reduce earnings. A minimum deposit of \$5.00 is required to open a Money Market Account.

**Deposits.** After you have established your Money Market Account, you may make additional

deposits into that account at any time and in any amount. We may establish minimum amounts for deposits in this Account from time to time.

**Withdrawing Money from Your Money Market Account.** As long as you have money in your account, and subject to any applicable state or federal laws and regulations, the transaction limitations in this Agreement, and the Credit Union's Bylaws, money can be withdrawn from your account by any method approved by the Credit Union. Currently the approved methods are an in-office transaction, a written request (such as by mail), through our Home Banking or Audio Response services, or a phone request made directly to a credit union employee. Withdrawals are subject to fees as provided in our Fee Schedule.

**Rate and Annual Percentage Yield ("APY").** Your Money Market Account will earn what are known as dividends. Dividends are like interest, except that the rate of dividends is set by the Credit Union's Board of Directors (the "Board") from time to time, and dividends are not guaranteed. The Credit Union estimates a prospective dividend rate and corresponding annual percentage yield (APY) on your Money Market Account for each dividend period. The dividend rate and APY may change every calendar quarter as determined by the Credit Union. This is a variable rate account. The Credit Union's current dividend rates will be available each business day at our office. Refer to our current Rate Schedule for our current dividend rates.

**Compounding.** We compound your dividends, even though that isn't required by law. Compounding is more favorable to you,

because once dividends have been earned by your account they are added to the balance on which you will earn future dividends. Because we compound dividends, the actual yield on your account will be somewhat higher than the annual dividend rate. The Annual Percentage Yield (APY) will be posted along with the annual dividend rate.

For this account type, the dividend period is the calendar quarter. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is March 31. All other dividend periods follow this same pattern of dates. Dividends will be compounded quarterly. The prospective dividend rate for each quarter will be determined in the last month of the previous quarter. The dividend declaration date follows the ending date of a dividend period, and for the example above is April 1.

**Crediting Dividends.** Dividends will be credited quarterly. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable dividend period. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive the accrued but unpaid dividends.

**Minimum Balance to Earn Dividends.** You earn dividends on your Money Market Account each day that your account balance is \$100.00 or more. We reserve the right to adjust minimum deposit balance requirements from time to time.

**How Withdrawals Affect Dividends.** Even though we don't credit your dividends to your account until the date specified above, we calculate them on a daily basis. Therefore, if you make a withdrawal, you won't receive any further dividends on the withdrawn amount from the day you make the withdrawal until the day that dividends are credited.

## **CERTIFICATE ACCOUNTS**

**Establishing Account and Rate.** A member may establish a Certificate Account (we will refer to these as "Certificates") by signing appropriate documentation and making the required minimum deposit. Certificates are savings accounts (also known as "Term Accounts") that generally earn a higher rate of dividends than other savings accounts. The dividend rate and APY for Certificates are fixed. Once you purchase a Certificate, your dividend rate will not be changed or recalculated during the term of that Certificate. The APY assumes that dividends earned will remain on deposit until maturity. A premature withdrawal from this account will reduce earning and may incur penalties (see the Rate Schedule for information concerning such penalties).

**Minimum Balance Requirement.** The minimum balance required to open a Certificate is \$500.00. Refer to the Rate Schedule for information about the current minimum balance requirements. You must also maintain a minimum membership balance of \$5.00 in your Prime Share Savings Account to maintain a Certificate beyond its next maturity date.

**Compounding and Crediting.** Dividends

compounded and paid monthly. If you close your Certificate before dividends are credited, accrued dividends will be paid to date less any early withdrawal penalty, if applicable. See the discussion of early withdrawal penalties below.

**Renewal Policy.** For automatically renewing Certificates, there will be a 10 calendar day grace period for withdrawals after maturity, during which time no early withdrawal penalty will apply. Dividends will not be earned during the grace period on funds withdrawn during the grace period. If a Certificate account is not withdrawn within 10 days after it matures, it will automatically renew from its last maturity date unless we give you notice that it will not renew. Renewed certificates will be reinvested in another Certificate of equal term at the interest rate and APY in effect on the date of maturity and renewal. The Credit Union shall determine the interest rate for the renewed Certificate on or before maturity, and that information will be available upon maturity prior to renewal. Within 10 days after the maturity date, you may visit any office or call Member Services during regular business hours at 1-231-946-6655, to find out the interest rate and APY that will apply to the Certificate if it is renewed. You can also find current Certificate rates online at [www.etcfcu.org](http://www.etcfcu.org). You may make an additional deposit to certificates during the 10-day grace period unless you choose a new certificate with a different length of maturity. All other terms and conditions, including the term length of the Certificate, shall be the same as the previous Certificate unless the Credit Union shall, prior to renewal, give written notice of a change in such terms and conditions.

**Transaction Limitations.** After a Certificate

is purchased, you may generally not make deposits into or withdraw principal from that Certificate until the maturity date. If a withdrawal of principal must be made prior to maturity, the amount remaining on deposit after the withdrawal must not fall below the minimum balance requirement for that certificate, otherwise the entire account balance must be withdrawn. In addition, an early withdrawal penalty will be assessed, as discussed below, for all withdrawals from any Certificate account prior to maturity. If you wish to deposit additional funds into a Certificate, you may purchase another Certificate at the then current rates.

**Early Withdrawal Penalty.** If you withdraw any principal from a Certificate before the maturity date, you will be assessed a penalty. The penalty will be equal to three months' dividends on the amount withdrawn if the original term of the Certificate is one year or less, otherwise it will be equal to six months' dividends. If the penalty exceeds the interest due at the time of such early withdrawal, the difference shall be deducted from the principal amount. No early withdrawal penalty will be assessed if the principal is withdrawn due to the death of any party to the Certificate.

## **INDIVIDUAL RETIREMENT ACCOUNT**

**Establishing Account and Rate.** An Individual Retirement Account (IRA) may be established by a member completing a separate IRA application form, and making a deposit of \$5.00 or more. These accounts are a special type of share accounts, and may provide tax benefits to the account owner. An IRA may be established as a

Certificate Account in which event the provisions of this Agreement dealing with Certificate Accounts will apply unless superseded by the provisions of any Agreements specifically applicable to IRAs. Only the individual designated as the Member on the Application and Agreement may be an owner of an IRA. This Account cannot have joint owners. The dividend rate and Annual Percentage Yield for your IRA are variable and are subject to change monthly. Refer to the Rate Schedule for current dividend rates and APY. You may also call visit any office, contact us at 1-231-946-6655, or go to [www.etcfcu.org](http://www.etcfcu.org) to obtain current rate information.

**Minimum Balance Requirements; Deposits.**

An initial deposit of at least \$5.00 is required to open an IRA. After you have established your IRA, you may make additional deposits into that account at any time. We may establish minimum amounts for deposits in these Accounts from time to time. Deposits are also subject to federal law limitations.

**Withdrawing Money from Your IRA.** As long as you have money in your account, and subject to any applicable state or federal laws and regulations, the transaction limitations in this Agreement, including the Truth in Savings Disclosure, and the Credit Union's Bylaws, money can be withdrawn from your account by any method approved by the Credit Union. Currently the only approved methods are an in-office transaction or a written request (such as by mail) meeting the credit union's requirements. Withdrawals from this account will reduce earnings. If you seek to make a withdrawal that will reduce your account balance below \$5.00, we require you to withdraw the full amount in the account and close it.

**Rate and Annual Percentage Yield ("APY").**

Your Account will earn dividends, at rates established by the Credit Union's Board from time to time. The Credit Union reviews the interest rate and corresponding annual percentage yield (APY) it pays on your IRA each dividend period. Refer to the Rate Schedule for our current rates. The dividend rate and APY may change every calendar month as determined by the Credit Union. This is a variable rate account. The dividend rates will be available each business day at our office. The words "dividend" (or "dividends") and "interest" may be used interchangeably in this Agreement.

**Compounding Dividends.** We compound your dividends, even though that isn't required by law. Compounding is more favorable to you, because once dividends have been credited to your account they are added to the balance on which you will earn future dividends. Because we compound dividends, the actual yield on your account will be somewhat higher than the annual dividend rate. The Annual Percentage Yield (APY) will be posted along with the annual dividend rate.

For this account type, the dividend period is the calendar month. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date of such dividend period is January 31. All other dividend periods follow this same pattern of dates. Dividends will be compounded monthly. The prospective dividend rate for each dividend period will be determined in the previous month.

**Crediting Dividends.** Dividends will be credited monthly. Dividends are not available to you until they have been credited to your account. Even

though your account earns dividends every day, we don't actually credit them to your account until the last day of the applicable dividend period. Dividends that are credited to your account will be added directly into your account. If you close your account before dividends are paid, you will not receive any accrued but unpaid dividends.

**Minimum Balance to Earn Dividends.** You earn dividends on your IRA each day that your account balance is \$5.00 or more. We reserve the right to adjust minimum balance to earn dividends requirements from time to time.

**How Withdrawals Affect Dividends.** Even though we don't credit your dividends to your account until the date specified above, we calculate them on a daily basis. Therefore, if you make a withdrawal, you won't receive any further dividends on the withdrawn amount from the day you make the withdrawal until the day that dividends are credited.

## **FIDUCIARY ACCOUNTS**

### **A. Accounts for Trusts**

- 1. Generally.** Individuals can open a separate membership account for a Revocable Living Trust.
- 2. Retitling.** An account owned by one (1) or more individuals may be titled or retitled in the name of a trust and not in the name of the individuals if all of the following are met:
  - a. The trust is eligible for membership in the Credit Union. This requires that all persons named in the trust as settlors, trustees, or beneficiaries must be eligible

to join the credit union.

- b. Each owner consents, in writing, to titling or retitling the account in the name of the trust.
  - c. Any beneficiaries listed on the account are removed as beneficiaries by the owners.
  - d. The account is not an account that provides tax deferrals or any other tax benefit under state or federal law.
  - e. Outstanding loans have been fully paid and closed.
- 3. Membership status of individuals when retitled.** If an account is retitled in the name of a trust under subsection (2), the membership of any individual or individuals who had owned all or an interest in the account is terminated unless he or she is a member based on ownership of another account, or he or she qualifies for, applies for, and is accepted into membership.
- 4. Products and Services.** The following types of financial products and services will be available to Trusts:
- a. Share Accounts
  - b. Checking Accounts (except where co-fiduciaries exist)
  - c. Certificate Accounts
- To the extent applicable and not superseded by this section, the terms and conditions governing those types of accounts for individuals, as described elsewhere in this Agreement, govern accounts established for Trusts.
- 5. Documentation.** In order to open an account for a Trust, a Trustee must provide such documentation as is required by the Credit Union with regard to the Trust, including, but not necessarily limited to, the Trust document itself and/or a Certificate of

Trust prepared by the attorney who drafted the Trust and/or a Certificate of Trust Existence and Authority. The Credit Union reserves the right to refuse membership to a Trust when it is not drafted in accordance with and governed by the laws of the State of Michigan or for any other reason in its sole discretion.

**6. Distribution of Accounts.** If an account is opened for a Trust, the Trust is the party with which the Credit Union is contracting, and the Trust agrees that the Credit Union may distribute funds pursuant to the terms of the most recently dated Trust Agreement or Certificate of Trust on file at the Credit Union, and the Trust, forever indemnifies and holds the Credit Union harmless for distributions made pursuant to that Trust made in good faith reliance on that Trust Agreement or Certificate of Trust. The trust further agrees that it is the responsibility of the Trust (through its Trustee) and the Settlor of the Trust to notify the Credit Union when a Trust for which an account has been opened has been revoked, rescinded, revised, or in any way modified.

**7. Withdrawals.** All sums paid to the Credit Union on deposits (less set-offs allowed by law and/or provided by contract) shall be paid on proper withdrawal demand. Such demand must be made by the Trustee(s) as indicated on the Membership Card for Accounts Opened by Fiduciaries. The Credit Union has no obligation to monitor the further distribution of any funds withdrawn from the account, but we reserve the right to deny any withdrawal request. Only methods approved by the Credit Union may be used to make account withdrawals.

**8. Representations of Trustee(s).** Any Trustee

for a Trust who signs an “Application for Membership and Account Agreement for Revocable Trusts” represents the following: (i) the Trust is in full force and effect and it has not been revoked or amended in any manner which would cause the representations made herein to be inaccurate or incorrect; (ii) the named Trustee(s) has qualified, is acting as Trustee(s), and is authorized to open this account; (iii) the Trustee(s) is authorized to hold, manage, deposit, withdraw, invest and reinvest funds deposited, purchase and sell certificates of deposit, and accomplish any or all other banking transactions; (iv) the Trust document contains a hold harmless provision for any third party dealing with the trust or any trustee and that such provision applies to the Credit Union; (v) Trustee(s) will send written notice of any change in Trustee(s), of any amendment or modification of the Trust which would cause the representations made herein to be or become inaccurate or incorrect, or of the occurrence of any event which would affect the Trust’s revocability, the powers of the Trustee(s), or any other representations made to the Credit Union; and (vi) any one Trustee has the power to authorize withdrawals or transfers from authorized accounts, or authorize new accounts or services. The Credit Union may rely on these representations and any instructions by the Trustee(s) and act in accordance therewith in any respect affecting the account before or after termination of the Trust, unless and until it receives a written notice of changes to the Trust, with notice of changes in Trustee(s), or written notice of any events affecting

the Trustee(s) powers described above or in any documents required by the Credit Union.

**9. Acknowledgement of Fiduciary Responsibility.** Any Trustee for a Trust who signs an “Application for Membership and Account Agreement for Revocable Trusts” acknowledges and understands the Trustee’s legal obligations as a fiduciary and as more fully set forth in the Michigan Estates and Protected Individuals Code. Such Trustee further agrees to conduct all business with the Credit Union on behalf of the Trust in accordance with state and federal laws as well as orders from any court of competent jurisdiction.

**10. Indemnification.** Any Trustee for a Trust who signs an “Application for Membership and Account Agreement for Revocable Trusts” hereby jointly and severally (if more than one) agrees to hold the Credit Union and each of its officers, directors, employees, agents, and affiliates harmless and indemnify them against any claims, judgments, settlement amounts, or other liabilities or costs of defense or settlement, including attorney’s fees arising out of or related to any alleged or actual improper or unsuitable actions taken at the instruction of Trustee(s) in connection with account for the Trust or for any distribution of Trust assets to any person or entity. This indemnification is made by the Trustee(s) both in the capacity as Trustee and individually, and shall not be limited by any other independent documentation. If a Trustee provides instructions or an order to the Credit Union that the Credit Union reasonably believes might expose it to claims, suits, losses, expenses, liability,

or damages, it may refuse to follow the instruction or order.

## **B. Custodial Account under the Michigan Uniform Transfers to Minors Act (UTTMA)**

**1. Generally.** Members who maintain a \$5.00 membership savings in their Primary Savings Accounts in the Credit Union can open a separate membership account as a custodian for a Minor under the Michigan Uniform Transfers to Minors Act (“UTTMA”), provided the Custodian is a member of the Credit Union in his or her own right and the Minor is eligible for membership in the Credit Union. The Membership and Account Agreement that shall apply to the account is that of the minor, not that of the Custodian. As a Custodian for a Minor opening an account under the Michigan UTTMA, any Custodian signing a General Membership Card for a Minor understands and agrees that the authority of the Custodian shall cease and the Minor shall receive full control of the account when the Minor reaches the age of majority. The Custodian understands that funds in this account may not be pledged as security for any purpose. Custodians may, at the time the account is opened, extend the time for disbursement to the minor from age 18 to age 21, but no further.

**2. Products and Services.** The following types of financial products and services will be available to Custodial Accounts under the Michigan UTTMA: Share Accounts and Certificate Accounts. To the extent applicable and not superseded by this section, the terms and conditions governing those types of accounts for individuals, as elsewhere in this Agreement, govern

accounts established for Minors under the UTTMA.

- 3. Deposits.** The Custodian has transferred funds into this account for the benefit of the named Minor. Any funds deposited into the account by the Custodian or other persons authorized to make deposits shall be conclusively presumed to be property of the Minor at the time of deposit.
- 4. Withdrawals.** All sums paid to the Credit Union as withdrawals from savings (savings or deposit) accounts (less set-offs allowed by law and/or provided by contract) shall be paid on proper withdrawal demand by the named Minor on or after he or she reaches the age of majority (18, 19, 20, or 21) specified on the Account Agreement. Any withdrawal demands made prior to that time by any party will be paid in the form of a check made payable to the Custodian for the benefit of the named Minor. The Credit Union has no obligation to monitor the further distribution of any funds withdrawn from the account, unless required to do so by Court Order. We reserve the right to refuse any withdrawal request.
- 5. Indemnification.** Custodian hereby holds the Credit Union and each of its officers, directors, employees, agents, and affiliates harmless and personally indemnifies them against any claims, judgments, settlement amounts, or other liabilities or costs of defense or settlement, including attorney's fees arising out of or related to any alleged or actual improper or unsuitable actions taken at the instruction of the Custodian in connection with the Custodial Account or for any distribution of assets from this account to any person or entity. This indemnification is made by the Custodian,

both in his or her capacity as such and individually, and shall not be limited by any other independent documentation. If a Custodian provides instructions or an order to the Credit Union that the Credit Union reasonably believes might expose it to claims, suits, losses, expenses, liability, or damages, it may refuse to follow the instruction or order.

## **C. Account for Other Fiduciary Relationships**

- 1. Generally.** Members who maintain a minimum \$5.00 deposit in their Prime Share Savings Accounts in the Credit Union can open a separate membership account as a Fiduciary for another named Person or Estate if the person involved qualifies for membership or, in the case of an estate for a deceased individual, the deceased individual was a member of the Credit Union at the time of death. For example, an account can be opened by a Conservator, Guardian, Personal Representative, Representative Payee, etc. These accounts are referred to collectively as "Fiduciary Accounts" and the individuals or estates for whose benefit they are opened are referred to collectively as "Protected Persons." The member opening the account will be referred to as the "Fiduciary." As Fiduciary, you understand and agree that you owe the Protected Person a legal fiduciary responsibility to care for his or its property, including funds held on deposit in this Account, and you understand and agree that funds in this Account may not be pledged as security for any purpose.
- 2. Products and Services.** The following types of financial products and services will be available to Fiduciary Accounts:

- a. Share Accounts
- b. Checking Accounts (except where co-fiduciaries exist)
- c. Certificates of Deposit

We reserve the right not to allow certain accounts to be opened as Fiduciary Accounts. To the extent applicable and not superseded by this section, the terms and conditions governing those types of accounts for individuals, as described elsewhere in this Agreement, govern Fiduciary Accounts.

**3. Documentation.** In order to open an Account, you agree to provide such documentation as is required by the Credit Union with regard to the Fiduciary relationship, including, but not necessarily limited to, Letters of Authority naming you as Conservator, Guardian, Personal Representative, etc. The Credit Union reserves the right to refuse to open a Fiduciary Account when documentation does not derive from the authority of the laws of the State of Michigan or Social Security Rules and Regulations.

**4. Distribution of Accounts.** If you have opened an account for a Protected Person, an Estate, or a Social Security Beneficiary, you, as Fiduciary, understand and agree that the Credit Union may distribute funds pursuant to the terms of the most recently dated Letters of Authority or other documentation on file at the Credit Union, and you, on behalf of the Protected Person, forever indemnify and hold the Credit Union harmless for distributions made in good faith reliance on those Letters of Authority or other documentation. You further agree that it is your responsibility to notify the Credit Union when your authority

as a Fiduciary has been revoked, rescinded, revised, or in any way modified.

**5. Withdrawals.** All sums paid to the Credit Union on deposits (less set-offs allowed by law and/or provided by contract) shall be paid on proper withdrawal demand made by the named Fiduciary. The Credit Union has no obligation to monitor the further distribution of any funds withdrawn from the account, unless required to do so by Court Order. We reserve the right to deny any withdrawal request. The Credit Union shall not be liable for the misappropriation of funds resulting from a withdrawal from the Representative Payee account.

## **OTHER TERMS AND CONDITIONS**

The following paragraphs apply to all Accounts opened with the Credit Union, except as specifically modified above.

**Share Insurance.** Your savings in the Credit Union are insured up to at least \$250,000.00 by the National Credit Union Administration (NCUA), an agency of the Federal Government, in accordance with regulations promulgated by the NCUA. For more information regarding share insurance, please refer to the NCUA brochure entitled “Your Insured Funds,” which can be found at the Credit Union office or at [www.ncua.gov](http://www.ncua.gov). Because we are not authorized to provide legal advice, we cannot counsel you as to how to structure your accounts in order to maximize your account insurance protection.

**Accrual of Dividends on Non-Cash Deposits.** Dividends will begin to accrue on the business day you deposit non-cash items (for example,

checks) to your account.

**Transaction Limitations.** During any calendar month, you may not make more than six transfers or withdrawals, or a combination of such transfers and withdrawals, from a money market account to another account or to a third party by means of a preauthorized or automatic transfer or telephonic agreement, order or instruction. If you exceed the transfer limitations set forth above in any month, (i) a fee may be charged as set forth in our Fee Schedule, (ii) we generally will reject the transaction in question, and (iii) the account in question may be subject to closure or restriction by the Credit Union.

**Cash Withdrawal Limitations.** For security reasons we may limit the amount of withdrawals that may be taken in cash from an account or by any given individual; we will establish such limits in our discretion from time to time. Please contact us if you have any questions about such limits.

**Funds Availability.** If you make a deposit into any account you have with us, that money may not be available to you right away. Refer to the Funds Availability Disclosure below for information regarding the availability of funds deposited into a Checking Account. For other accounts, the funds may not be available for a longer period of time. Ask us at the time of deposit (or any time afterward) if you need to know when funds from any given deposit will be available.

**Notice of Withdrawals.** All of your accounts are subject to the Credit Union's right to require advance notice of withdrawal, as provided by law or in the Credit Union's Bylaws.

**Fees.** Any account may be subject to service charges in accordance with the Fee Schedule adopted by the Credit Union from time to time. You agree to pay us fees in connection with your accounts in accordance with the Fee Schedule then in effect (refer to the Fee Schedule for a current list of fees). We will provide advance notice of any increase in current charges, or any new charges, as required by law. We may deduct any fees owed from any of your accounts, except that no fee may be deducted from an IRA unless the fee relates to the IRA. We reserve the right to waive any fees in our sole discretion. Fees may reduce earnings on any of your accounts.

**Return of Deposits/Closed Accounts.** We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you and we may also restrict the services available if we choose to leave an account open. However, we may not terminate your membership in the Credit Union without satisfying the requirements of applicable law. If we close an account, we will notify you and send you a check for any balance in that account after deducting all applicable charges and fees. We may, in our discretion, exercise our right of setoff with regard to such amounts if we have such a right with regard to the account. Any withdrawal that reduces the amount in an account to zero (other than a Checking Account) may automatically close that account. We are not liable for any check, withdrawal or other payment order after an account is closed. Any checks or other payment orders presented after your account has been closed will be returned unpaid. We reserve the right to advise consumer reporting agencies and other third parties of accounts closed for misuse.

**Final Credit for Deposits.** All deposits are subject to proof and verification. If you deposit a check, draft or other non-cash item, we have the right to clear it before we make the money available to you subject to applicable federal law and regulations. If there are special fees for collecting your deposit, you promise to pay them (see the Fee Schedule for a list of fees). We may deduct them directly from the account into which the deposit was made. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit. We specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement; However we generally will not refuse to accept such a deposit if all of the endorsers are original payees on the check and all are owners of the account into which the deposit is being made. We reserve the right not to pay interest or dividends on amounts subject to garnishment, levy or other legal process; and we reserve the right not to pay interest or dividends on the amount of any deposited item that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited interest or dividends).

**Form of Negotiable Instruments.** All negotiable instruments presented for deposit must be in a format that can be processed and/or photographed. The Credit Union may refuse to accept any check or draft that does not meet this requirement.

**Endorsement.** All endorsements placed on the reverse side of any check or draft which you deposit to your account must be placed so that they are on the left side of the item when looking at it from the front and must be placed

so they do not go beyond an area located 1 and ½ inches from the left edge of the item when looking at it from the front. The Credit Union may refuse to accept any item that does not meet this requirement, and, if the credit union does accept it, you agree that you are completely responsible for any loss we incur which is premised on an endorsement not meeting this requirement, including any court costs and reasonable attorney fees.

**Inactive Accounts.** The Credit Union will consider your account inactive after 12 months of no deposits or withdrawals on your account. This excludes interest or dividends credited to your account by the Credit Union. Michigan Law permits the Credit Union to turn these funds over to the State after two years of no activity, and requires the Credit Union to turn these funds over to the State after three years of no activity. Before turning funds from inactive accounts over to the State of Michigan, the Credit Union will send notices as required by Michigan law advising you of your rights.

**Statement.** You will receive a periodic statement (normally monthly) for your Checking Account. You will receive a periodic statement (normally quarterly) for your Prime Share Savings Account or other savings accounts unless you have an electronic funds transfer transaction during a monthly period (in which case you will receive a monthly statement), or you will receive a combined statement on a monthly basis if you have a Checking Account and other savings accounts. Each such statement shall show the transactions on your accounts and any fees and other charges. We reserve the right not to send statements for accounts we consider inactive, or for those accounts for which we do not have a

valid address on file.

You should examine each periodic statement carefully and reconcile the accounts reflected on that statement. If there are any discrepancies, you should notify us immediately. Except as expressly provided for elsewhere, you have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 days of the mailing date of the earliest statement containing those items.

**Agreement.** This Agreement shall be effective and shall govern all share/deposit accounts with us. By signing a Membership Application and Agreement, signing any application to add an account after your Prime Share Savings Account has been established, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement and to all amendments to this Agreement. This Agreement shall supersede all previous agreements for such accounts.

**Amendment.** We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. When we change this Agreement, you may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

**Notice of Name or Address Changes.** You are responsible for notifying us of any address or name change. Whenever we are required

to send you notice, the Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us in writing. The Credit Union requires all notices of change in address or name to be in writing. Notices to us should be sent to:

**Traverse Catholic Federal Credit Union  
3797 Veterans Drive  
Traverse City, MI 49684**

**Other Notices.** All notices regarding the account will be posted in our office lobbies or will be sent to you to the address shown on your statement. In the event of joint ownership, notice by or to any one joint owner shall be deemed notice by or to all. We reserve the right not to send notice for accounts we consider inactive.

**Effect of Notice.** Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address.

**Indemnity.** If by following your instructions we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any losses, expenses, liabilities or damages including actual attorneys' fees resulting from such a claim or suit. If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, we may refuse to follow your instructions, or we may require a bond or other protections.

**Severability.** If any of this Agreement is found by any other court or regulatory body of competent

jurisdiction to be invalid or unenforceable in whole or in part for any reason whatsoever, the enforceability of the remaining provisions or portions hereof shall not be affected thereby.

**Accounts Not Transferable.** None of your accounts are transferable, except on the Credit Union's books and records, and your accounts may not be pledged to anyone other than us without our prior written consent.

**Waiver.** We may waive any of these provisions at our sole discretion, but any such waiver will apply only on that occasion. If we chose to waive any provision, we will not be bound to waive the same provision or any other provision on another occasion.

**Credit Union Lien and Security Interest.** Except for debts that are secured by your principal residence, if you owe us money as a borrower, guarantor, endorser or otherwise, we have a lien on the funds in any account in which you have an ownership interest, regardless of their source, unless the account is an IRA or tax deferred retirement account or the lien is prohibited by law. We may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts (except IRAs or tax deferred accounts or where the granting of such a lien is prohibited by law) and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by your residence, unless prohibited by applicable law. We will notify you if we have exercised our right of offset.

**Responsibility for Your Transactions Not Involving an Account.** If (i) you present a check or other item to us drawn on another financial institution for cash over the counter or for payment of any obligation owing to us or (ii) we initiate an automated clearinghouse (ACH) transfer to another financial institution for any obligation owing to us and the check, other item, or ACH transfer is returned to us unpaid for any reason not attributable to us, we may charge a \$15.00 returned transaction fee to any of your accounts (except accounts described in the Credit Union Lien and Security Interest section as not being subject to lien or setoff rights) or, to the extent allowed by law, charge a \$30.00 returned transaction fee to the obligation for which payment was intended.

**Telephone Requests.** You agree (for joint accounts, all joint owners agree jointly and severally) that funds in any of your accounts with us can be transferred upon the telephone request of any signer on the account. We may refuse to execute any telephone request or order.

**Information About Your Accounts and About You.** Generally, we will not disclose information to third parties about your accounts or about you without your permission. However, we may disclose information: (1) when it is necessary to complete transfers or transactions, or to send notice of dishonor or nonpayment; (2) to our accountants, attorneys or other professional advisors; (3) to Credit Union or financial institution regulators; (4) to exchange, in the regular course of business, credit information with other financial institutions or commercial enterprises, directly or through credit reporting agencies; (5) to advise third parties of accounts

closed for misuse; (6) to furnish information to the appropriate law enforcement authorities when we believe we have been a victim of a crime; (7) to comply with government agency or court orders, or to furnish any information required by statute; (8) to furnish information about the existence of an account to a judgment creditor of yours who has made a written request for such information if the court rendering the judgment has jurisdiction over the Credit Union and could issue a garnishment that would be binding on the Credit Union; (9) when we are attempting to collect an obligation owed to us; or (10) as required by law. In addition, you understand and agree that we may, from time to time, request and review consumer reports and other information about you prepared by consumer reporting agencies or others.

**Section Headings.** Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

**Joint Accounts.** If two or more parties have signed an Application and Agreement with respect to your Prime Share Savings Account, you are creating, and intend to create, a “joint tenancy with rights of survivorship.” That is, you as the owners of the account agree with yourselves and the Credit Union that all sums paid in shares or other deposits (as applicable), together with all accumulations, prior to now or hereafter, less setoffs as allowed by law for any sums due the Credit Union by any party, shall be owned by all of you jointly with full right of survivorship, and shall be subject to withdrawal or receipt by any of you in whole or in part. If you create this ownership arrangement for your Prime Share Savings Account, it shall apply to

all accounts (except IRAs) maintained under the same overall member account number. Payment to any of you or the survivor(s) of you, or the personal representative, administrator or assign of the last survivor of you, shall be valid and discharge the Credit Union from any liability for such payment and amount. Each signer appoints each other signer to be his or her irrevocable attorney in fact: to make deposits to the account; to endorse, for cash or deposit, any checks or other items whether payable to one of the signers alone or with others; and to receive and receipt for all funds all without obligation to us to inquire into the source or application of funds. To induce us to act hereunder, each person signing the Membership Application and Agreement jointly and singly agrees to hold the Credit Union harmless and indemnify us from loss, cost, and damage in all respects in connection with any of the foregoing, including court costs and attorneys’ fees, except as may be limited by applicable law. Unless specifically prohibited in writing from doing so, any or all of the joint owners may pledge all or part of the shares or deposits in the account as collateral for security on a loan(s) from the Credit Union. No authority or obligation of the Credit Union may be changed or terminated by one or more of the joint owners without prior written notice to the Credit Union, and no such change or termination shall affect transactions already made. Further, each joint owner is subject to the terms and disclosures of this Agreement, and hereby acknowledges receipt of the Agreement. We may refuse to authorize a withdrawal from a joint account when we have knowledge of a dispute between the joint account holders until the matter is resolved.

If a deposited item in a joint account is returned

unpaid, the account is overdrawn, or if the Credit Union does not receive final payment on a transaction, the owners, jointly and severally, are liable to the Credit Union for the amount of the returned item, overdraft, or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to the Credit Union, the Credit Union may enforce its rights against any account of an owner or all funds in the joint account regardless of who contributed them.

Any owner who is a surviving owner agrees that the Credit Union to the extent allowed by law may set off any money in the account against any obligation of a deceased owner within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). All owners who are surviving owners also agree that their interests in the account are subject to any security interest or pledge granted by a deceased owner, even if they individually did not consent to it.

Except as modified in this Agreement, joint accounts shall be subject to and governed by PA 41 of the Public Acts of 1968 (Michigan), as amended, being M.C.L. 490.51 et seq., and commonly known as the Credit Union Multiple-Party Accounts Act. An account owned by a person that is not a natural person (that is, an account owned by a corporation or other legal entity or by a trust) may not have joint owners.

**Beneficiary Designation.** When opening an account or, if all owners agree, at any time thereafter, you may designate one or more

persons as beneficiaries of the account under the Michigan Credit Union Beneficiary Accounts Act (Public Act 31 of 1992), being M.C.L. 490.81 et seq. Upon the death of the last surviving owner of the account, the surviving beneficiaries shall become the owners of the account. If there is more than one surviving beneficiary, the account shall be divided equally between them, and each beneficiary shall be the sole owner of that beneficiary's share. In accordance with the Credit Union Beneficiary Accounts Act, there shall be no joint ownership among beneficiaries. The Credit Union is not obligated to notify any beneficiary/payee of the existence of any account or the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. The Credit Union reserves the right to require documentation in order to confirm that an account has become properly payable to a beneficiary or beneficiaries. An account owned by a person that is not a natural person (that is, an account owned by a corporation or other legal entity or by a trust) may not have beneficiaries. The interests of the beneficiary(ies) is subject to the right of the Credit Union, to the extent allowed by law, to set off any money in the account against any obligation of the deceased owner (or the last owner to die, if there was more than one) within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts).

**Accounts for Minors.** We may require any account established by a minor to be a multiple party account with an owner who has reached the age of majority under Michigan law and who shall be jointly and severally liable to us for

any returned item, overdraft, or unpaid charges or amounts on such account. Except where expressly provided otherwise, we may pay funds directly to a minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

**Agency Designation on an Account.** An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Credit Union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent. The Credit Union shall not be liable for loss resulting from the misappropriation of funds withdrawn from an account by an authorized agent.

**Legal Process.** If any legal action is brought involving your account, we may pay out funds according to the terms of the action or refuse any pay out until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. In lieu of expenses other than attorneys' fees, we may charge a Legal Process Fee as set forth on the Fee Schedule. Any legal process against your account is subject to our lien and security interest.

### **Taxpayer Identification Numbers and Backup**

**Withholding.** Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other Internal Revenue Code requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you have designated on a W-9 or W-8BEN that you have applied for a TIN, you must provide the TIN within 60 days. Upon the expiration of the 60-day period, the Credit Union may begin withholding from your account.

**Special Account Instructions.** You may request that we facilitate certain financial or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your financial needs or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities, or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or other protection.

**Changes Requested by You.** Account changes requested by you, such as adding or closing an account or service, must be submitted in writing, signed, and accepted by us.

**Cooperation in Loss Recovery Efforts.** You agree to fully cooperate in any effort we undertake to recover funds that were taken from your account without authorization. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agreed to cooperate fully in any

prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account. If a loss is the result of our actions (we lose a check you deposited, for example), you agree to help us to recover the loss but we will be responsible for all expenses involved.

**Standard of Care.** Except where applicable law or this Agreement provides otherwise, we will not be liable for any events not involving our intentional misconduct or gross negligence.

**Verification of Ownership and Beneficiary Arrangements.** You agree to check all records related to your account periodically (within 30 days after the account is opened or any changes are made and not less than once per year thereafter) to ensure that all ownership and beneficiary arrangements are set up in the way that you desire. You agree to contact the credit union immediately if any ownership or beneficiary arrangement is not how you wish it to be. You further agree to hold the credit union harmless from any claims that any ownership or beneficiary arrangement related to your account is not set up as you desire.

**Termination of Account.** Notwithstanding any other provisions in this Agreement, we may terminate your account at any time without notice to you, or we 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 account or of the funds in the account; (4) any checks related to the account, whether blank or completed, are lost or stolen; (5) there are

excessive overdrafts drawn on the account that are not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account. An owner may give up his/her ownership rights in a multiple party account at any time by completing a document acceptable to the Credit Union in that regard; however such an action will not relieve such an owner from any liability for which such owner had with respect to the account immediately prior to the removal. We are not responsible for payment of any check withdrawal, or other item after your account is terminated, however, if we pay an item after termination, you agree to reimburse us.

**Termination of Membership.** You may terminate your membership by giving us notice. You may be denied services or expelled for any reason allowed by applicable law, including causing a loss to the Credit Union.

**Governing Law.** This Agreement shall be governed by the laws, including applicable principles of contract law, and regulations of the State of Michigan, except as superseded by federal laws and regulations. This Agreement is also subject to the Credit Union's Bylaws, and to local clearinghouse rules. Unless otherwise required by applicable law, any action brought pursuant to this Agreement against the Credit Union must be brought in the local State District Court or State Circuit Court with jurisdiction over the location of the Credit Union's principal place of business.

## **Electronic Fund Transfers Agreement and Disclosures**

This Electronic Fund Transfers Agreement and Disclosures contains additional Agreement provisions setting forth your and our rights and responsibilities concerning the electronic funds transfer (“EFT”) services offered to you by Traverse Catholic Federal Credit Union. This Electronic Fund Transfers Agreement and Disclosures will be referred to herein as “EFT Disclosure.” By signing an application for EFT services, signing any card we issue to you, or by using any services covered by this EFT Disclosure, you agree to the terms and conditions in this EFT Disclosure and any amendments for the EFT services offered. The terms and conditions of the account agreements relating to your accounts with us remain in effect except to the extent modified by this EFT Disclosure. The EFT Disclosure may be supplemented by other agreements, such as those relating to home banking or remote depositing of checks.

Your Share Accounts, your Checking Account, and your Christmas Club Account can be subject to some kind of EFT service. The word “account” will refer, as applicable, to any account that can be subject to some sort of EFT service. Our “business days” for purposes of this EFT Disclosure are Monday through Friday, except for legal holidays, as specified later in this EFT Disclosure.

### **EFT SERVICES AVAILABLE**

Indicated below are types of Electronic Fund Transfers (EFTs) we are capable of handling, some of which may not apply to your account. Please read this EFT Disclosure carefully

because it tells you your rights and obligations for the transactions listed. You should keep this disclosure for future reference. We do require you to maintain a minimum balance in your Prime Share Savings Account of \$5.00 as a condition of using an access device (card or code) to accomplish a transfer. We do not require you to maintain a minimum balance in any other account.

**Security of Access Code.** You may use one or more access codes with your electronic funds transfers. The access codes issued to you are for your security purposes. Any codes issued to you are confidential and should not be disclosed to third parties or recorded on or with any Card to which they relate. You are responsible for safekeeping your access codes. You agree not to disclose or otherwise make your access codes available to anyone not authorized to sign on your accounts. If you authorize anyone to use your access codes that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use an access code may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of these access codes and the Credit Union suffers a loss, we may terminate your EFT services immediately.

**Electronic Funds Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic funds transfers between your account and the third party’s account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearinghouse (ACH) or other payments network. Your authorization to the third party

to make these transfers can occur in a number of ways. In some cases, your authorization can occur when a merchant posts a sign informing you of its policy. In all cases, the transaction will require you to provide the third party with your account number and credit union information. This information can be found on your check or draft as well as on a deposit slip. Thus, you should only provide your credit union and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic funds transfers. Examples of these transfers include, but are not limited to:

**Preauthorized credits.** You may make arrangements for certain direct deposits to be accepted into your Checking Share, or Christmas Club Account(s). We reserve the right to reject or return any ACH Direct Deposit that comes into an account when the name on the deposit does not match the name of the owner or a joint owner of the account.

**Preauthorized payments.** You may make arrangements to pay certain recurring bills from your Checking Account. If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

**Electronic check or draft conversion.** You may provide your check or draft to

a merchant or service provider who will scan the check or draft for the encoded credit union and account information. The merchant or service provider will then use this information to convert the transaction into an electronic funds transfer. This may occur at the point of purchase, or when you provide your check or draft by other means such as by mail or drop box.

Note that some merchants or service providers will initiate an electronic funds transfer to collect the amount of a check or draft and a returned check/draft charge in the event a check or draft, even if originally presented in paper form, is returned for insufficient funds.

#### **CU\*TALK AUDIO RESPONSE and CU@HOME-PC HOME BANKING - Types of Transfers.**

Through CU\*TALK Audio Response, you may access your accounts using a touch tone telephone, 24-hours a day at: **1-800-860-5704**. On your home computer and modem, through CU\*@HOME-PC Home Banking, access your account information at **[www.etcfcu.org](http://www.etcfcu.org)**. You may request setup instructions from any employee. Once you have entered one of these systems, you must input our credit union access code, your account number and your Personal Identification Number to do the following:

- Transfer funds from a Checking account to any other account with us except Certificate accounts
- Transfer funds from a Share account to any other account with us except Certificate accounts
- Transfer payments from Checking or Share accounts to loan accounts with us
- Get information about:

- the balances on all accounts with us
- the deposits to and withdrawals from all accounts with us from the beginning of the current month
- balances due on loan accounts with us
- loan rates and dividend rates
- Credit Union office hours and branch locations
- Access our online bill pay program.

**Automated Teller Machine (ATM) Transactions.**

If approved, you may use your Card and PIN (Personal Identification Number) in automated teller machines of the Credit Union, networks, and such other machines or facilities as the Credit Union may designate. At the present time, you may use your Card to:

- Make deposits to Checking or Share accounts
- Get cash withdrawals from Checking or Share accounts
- Transfer funds from Share to Checking accounts
- Transfer funds from Checking to Share accounts
- Transfer funds from lines of credit to Checking accounts
- Transfer funds from Checking or Share to selected loan accounts with us
- Get information about:
  - the balance of your Checking accounts
  - the balance of your Share accounts
  - the balance of your loan accounts

You may make no more than 10 transactions (deposits, withdrawals, transfers and inquiries) per 24 hours. For security purposes, there are other limits on the frequency and amount of transfers available at ATMs. You may transfer up to the available balance in your accounts at the time of the transfer. See below for transfer

limitations that may apply to these transactions.

Because of the servicing schedule and processing time required in ATM operations, there may be a delay between the time a deposit (either cash or check) is made and when it will be available for withdrawal.

**Your Option to Limit Cash Withdrawals.**

In addition to dollar amount limitations for withdrawals using your ATM card and/or code that we may establish, you have the option to limit the amount of cash that can be withdrawn by your ATM card and/or code to \$50.00 per day.

**Home Banking.** If we approve the Home Banking for your accounts, a separate PIN (Personal Identification Number) will be assigned to you. You must use your PIN (Personal Identification Number) along with your account number to access your accounts. At the present time, you may use the Home Banking to:

- Transfer funds from your Share and Checking accounts.
- Obtain balance information for your Share, Checking, IRA, and Certificate accounts.
- Make loan payments from your Share and Checking accounts. (With the exception of mortgage loans.)
- Access your Line of Credit account.
- Make bill payments to preauthorized creditors.
- Apply for a loan.
- Access e-statements.
- View cleared checks.
- E-mail messages to us.
- Make Visa Credit Card payments.

**On-Line Bill Payment.** If you have signed up for Home Banking and we approve your application

for our on-line bill payment service, this service will be added to the services available for your Checking account and you will be able to schedule withdrawals from your Checking account to be sent to third parties. All transactions are limited to available funds in your Checking account plus any available Share backup for your Checking account. Your use of our on-line bill payment service is in addition governed by a separate agreement and disclosure which will be provided to you when you sign up and are approved for the service unless it has been provided to you earlier. You should allow at least five (5) business days from the date payments is scheduled for such payments to be delivered to payees. "Business Days" as used in this Agreement shall mean Monday through Friday of each week exclusive of Saturday, Sunday, and bank holidays. Your accounts can be accessed under the Home Banking via personal computer. Home Banking will be available for your convenience twenty four (24) hours per day. This service may be interrupted for a short time each day for data processing. We reserve the right to refuse any transaction that would draw upon insufficient funds, exceed a credit limit, lower an account below a required balance, or otherwise require us to increase our required reserve on the account. All checks are payable to you as a primary member and will be mailed to your address of record. We may set other limits on the amount of any transaction, and you will be notified of those limits. We may refuse to honor any transaction for which you do not have sufficient available verified funds. The service will discontinue if no transaction is entered after numerous unsuccessful attempts to enter a transaction, and there may be limits on the duration of each access. There is no limit to the number of inquiries, transfers, or

withdrawal request you may make in any one day. See below for transfer limitations that may apply to these transactions.

**Point-of-Sale Transactions (ATM Card).**

You may access your Checking Account(s) to purchase goods (in person), pay for services (in person), and get cash from a merchant, if the merchant permits, or from a participating financial institution. You may not exceed \$500.00 in transactions per day (combined with ATM transactions).

**Debit MasterCard Transactions.**

Using your Debit MasterCard You may access your Checking Account(s) to purchase goods (in person, online, or by phone), pay for services (in person, online, or by phone), get cash from a merchant, if the merchant permits, or from a participating financial institution, and for any transaction that a participating merchant will accept.

**Reversing Electronic Fund Transfers.**

If an "electronic fund transfer" described in this section was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse such transfer and to re-credit your account with the full amount of the transfer if (1) you tell us, within 4 calendar days after the date of the transfer, to make such a reversal, (2) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (3) you assure us that any returnable goods involved in the dispute will be returned.

If you do these things in writing, you **MUST** send the letter to our address as set forth at the end of this EFT Disclosure.

If you phone us, you **MUST** call at the phone number as set forth at the end of this EFT Disclosure.

If you tell us orally that you want such a transfer reversed, you **MUST** send us a letter to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. You are required to get this letter back to us within 14 calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests, and to increase such charges thereafter.

#### CONDITIONS OF EFT SERVICES

**Transaction Limitations.** For your ATM card and your Debit MasterCard combined you may not exceed either 10 transactions per 24 hours or \$510 in in withdrawal transactions per 24 hours. For your Debit MasterCard, a different dollar transaction limit for transactions other than withdrawals may be disclosed in writing at card issuance; otherwise the limitations described in the previous two sentences also applies to such transactions. Debit MasterCard Point of Sale (POS) transactions are permitted from your Checking Account only. In addition, except for your Checking Account, no transfer or withdrawal request from an account by electronic fund transfer will be honored if earlier in the same calendar month six (6) transfers or withdrawals from the account by means of a preauthorized or automatic transfer or telephonic agreement, order or instruction or other form of electronic funds transfer have already been made. We reserve the right to impose any such restrictions in the future as we

deem reasonable, but we will give you at least twenty-one (21) days' notice before doing so.

**Merchants.** Merchants and others who honor your ATM Card or Debit MasterCard may give credit electronically for returns or adjustments. They will do so by initiating a credit to us, and your account will be credited. We are not responsible or liable for the refusal of any merchant, financial institution, or electronic terminal to honor your card, complete a withdrawal from your account or for its retention of your card even if funds are available.

#### **Foreign Transactions and Currency Conversion.**

If you effect a transaction with your Debit MasterCard in a currency other than U.S. Dollars, MasterCard will convert the charge into a U.S. Dollar amount. The MasterCard currency conversion procedure includes use of either a government-mandated exchange rate or a wholesale exchange rate selected by MasterCard. The exchange rate MasterCard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date the transaction occurred or the date the transaction was posted to your account.

**Advisory Against Illegal Use.** You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necessarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located.

**Responsibility for Overdraft.** Unless an overdraft is governed by a separate contractual relationship with us, if any authorized electronic

funds transfer creates an overdraft in your Share and/or Checking Account(s), the overdrawn amount is due and payable the moment the overdraft occurs. You agree to pay the full amount by which the account is overdrawn together with any applicable fees upon our demand. In addition, you also authorize us, in such a case, to apply from any other shares or deposits you have in the Credit Union such amounts as are necessary to repay the overdrawn amount and any applicable fees; however we may not make such a transfer from an Individual Retirement Account or other account permitting tax deferrals or providing other tax benefits under state or federal law.

#### FEES

We may charge you fees for electronic fund transfers as set forth in this EFT Disclosure or as set forth in our Fee Schedule. We reserve the right to amend the fees from time to time upon thirty (30) days prior written notice. In addition, if you use an ATM or other terminal not owned by us to complete a transaction or make a balance inquiry, the owner of that ATM or network may charge you a fee.

#### DOCUMENTATION

**Terminal Transfers.** You can get a receipt at the time you make any transfer to or from your account using automated teller machines (ATMs) or point-of-sale (POS) terminals. Note that receipts may not be available for some small POS transactions.

**Preauthorized Credits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person

or company, you can call us at 231-946-6655 or 800-207-9780 (during business hours) or 800-860-5704 (CU\*TALK Audio Response - 24 hours) to find out whether or not the deposit has been made.

**Periodic Statements.** You will get a monthly account statement from us for your share draft accounts. You will get a monthly account statement from us for your Share accounts, unless there are no electronic fund transfers in a particular month. In any case, you will get a statement at least quarterly.

#### PREAUTHORIZED PAYMENTS - RIGHT TO STOP PAYMENT

**Procedure.** If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here is how:

Call or write us at the telephone number or address listed in this EFT Disclosure 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 put your request in writing and get it to us within 14 days after you call.

We will charge you a fee as set forth in our Fee Schedule for each stop-payment order you give.

Liability for failure to stop payment of preauthorized transfer. If you order 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.

#### CREDIT UNION'S LIABILITY

**Liability for failure to make transfers.** If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages.

However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account or back up accounts to make the transfer, if any funds in your accounts necessary to complete the transfer are held as uncollected funds or pursuant to our Funds Availability Policy, or if any funds in your accounts necessary to complete the transaction are held subject to legal process or other claim.
- If you used your card or access code in an incorrect manner, or after your right to use your card or access code has been cancelled.
- If the automated teller machine (ATM) where you are making the transfer does not have enough cash.
- If the ATM or other terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If funds in your account necessary to complete the transaction are pledged as collateral, are frozen, or offset because of a delinquent loan.
- If the error was caused by a system of any participating ATM network.
- If the transfer is not completed as a result of your negligent use of your card, access code, or any EFT facility for making such transfers.
- If the telephone or computer equipment you use to conduct audio response or electronic/

PC transactions is not working properly and you knew of should have known about the breakdown when you started the transaction.

- If a law or regulation prevents us from completing the transaction.
- If any other exception as established by us and communicated to you applies.

#### CONFIDENTIALITY

We will disclose information to third parties about your account or the transfers you make:

- Where it is necessary for completing transfers; or
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- In order to comply with government agency or court orders; or
- If you give us written permission.

#### NOTICES

All notices from us will be effective when we have mailed them or delivered them to your last known address in our records. Notices from you will be effective when received by us at the address specified in this EFT Disclosure.

#### AMENDMENTS

We reserve the right to amend this EFT Disclosure in any manner and at any time. If we do so, we will give you such advance notice thereof as we deem to be reasonable under the circumstances. Where required by law, we will give you at least twenty-one (21) days advance written notice. You agree that we may amend or modify this EFT disclosure without notice if an immediate change is necessary to maintain or restore the

security of our account arrangements or of any account.

#### TERMINATION OF ELECTRONIC FUND TRANSFER SERVICES

You may terminate any EFT service involving one or more cards under this EFT Disclosure at any time by notifying us in writing and stopping your use of your card(s) and any access code. You may terminate this EFT Disclosure in its entirety only by terminating all electronic funds services, meaning we will no longer accept any electronic transaction including but not limited to automatic deposits. Upon termination (by either you or us), you agree to return all cards to the credit union or destroy the cards upon request of the credit union. You also agree to notify any participating merchants that the authority to make bill payment transfers has been revoked. We may also terminate this EFT Disclosure at any time by notifying you orally or in writing at your last known address on file with us. If we terminate this EFT Disclosure, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this EFT Disclosure has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your card(s) or access code for any EFT service. Whether you or the credit union terminate this EFT Disclosure, the termination will not affect your obligations under this EFT Disclosure or any electronic fund transfers made prior to termination.

#### REGULATORY AUTHORITY

If you believe that any provision of the Michigan

Electronic Funds Transfer Act has been violated you should notify the National Credit Union Administration, Region 1 – Albany, 9 Washington Square, Washington Avenue Extension, Albany, NY 12205.

#### YOUR LIABILITY FOR UNAUTHORIZED TRANSFERS

Tell us AT ONCE if you believe your card and/or code has been lost or stolen or if you believe that an EFT has been made without your permission using information from your check. For Debit MasterCard only, call the 24 hour service number immediately at 1-888-241-2510; otherwise call the number shown below. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account and in any backup account. If you tell us within 2 business days, you can lose no more than \$50 if someone used your card and/or code without your permission. (If you believe your card and/or code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your card and/or code without your permission.)

If you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money

if you had told us in time.

If a good reason (such as a long trip or hospital stay) kept you from telling us, we will extend the time periods.

*Additional Limits on Liability for Debit MasterCard, when used for point-of-sale transactions:* You will not be liable for any unauthorized transactions using your Debit MasterCard, when used for point-of-sale transactions, if: (i) you report the loss or theft of your card within a reasonable time period, (ii) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, (iii) you have not reported to us two or more incidents of unauthorized use within the prior twelve-month period, and (iv) your account is in good standing. If any of these conditions are not met, your liability is the lesser of \$50 or the amount of money, property, labor, or services obtained by the unauthorized use before notification to us. "Unauthorized use" means the use of your debit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. This additional limitation on liability does not apply to PIN-based transactions or transactions not processed by MasterCard.

Contact in event of unauthorized transfer: If you believe your card and/or code has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call or write us at the following telephone number or address:

TRAVERSE CATHOLIC  
FEDERAL CREDIT UNION

P. O. Box 940  
Traverse City, MI 49685-0949

Phone: 231-946-6655 OR 800-207-9780  
(Business Hours only)

For lost or stolen Debit MasterCards call 1-888-241-2510 at any time

#### ERROR RESOLUTION NOTICE

In case of errors or questions about your electronic transfers, call or write us at the telephone number or address listed in this brochure, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any)
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or

a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. Your account is considered a new account for the first 30 days after the first deposit is made, unless each of you already has an established account open at least 30 days with us before the account is opened.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation by contacting us at the phone number or address shown above.

#### BUSINESS DAYS

For Credit Union purposes under this EFT Disclosure, business days are Monday through Saturday except: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Our offices may be closed at our discretion on days other than those listed here.

Please check our web site at [www.etcfcu.org](http://www.etcfcu.org) or call 231-946-6655 or 800-207-9780 to see if any changes have been made since this document was provided to you.

#### **Wire Transfer Agreement and Notification (Uniform Commercial Code Article 4A)**

The following rules shall apply to all wire transfer services provided by the Credit Union.

Credit Union may accept, on your behalf, payments to your account that have been submitted by Fedwire. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Federal Reserve Board Regulation J, Subpart B—Funds Transfers Through Fedwire. These regulations and state law are applicable to wire transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or driver's license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and Routing, Routing and Transit ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution

to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur.

You may not be provided with separate notification each time we receive a wire transfer into your account. We will provide you with notification of an incoming wire transfer as part of your periodic statement. In the event we accept payments to your account through one or more Automated Clearing Houses (“ACH”), the operating rules of the National Automated Clearing House Association (“NACHA”) will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next day notice of receipt of an ACH item. Therefore, we will provide you with notification of the receipt of these items as part of your periodic statement.

In addition, if we are ever obligated to pay interest on the amount of the transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorneys fees, unless otherwise provided by law or regulation.

We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and

that are not subject to the Electronic Funds Transfer Act (“Regulation E”). Your rights and obligations with respect to such payments shall be governed and construed in accordance with the applicable Federal Reserve Bank Operating Circular. Whenever an ACH is used as part of a transaction, its rules will govern that part of the transaction. Where none of the above stated rules apply, the transactions contemplated by this agreement shall be governed by the laws of the State of Michigan, including Article 4A of the Michigan Uniform Commercial Code.

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry through a Federal Reserve Bank or other clearing entity. If we do not receive final settlement, you are hereby notified that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (originator) shall not be deemed to have paid you the amount of the credit entry.

## **FUNDS AVAILABILITY DISCLOSURE**

This Disclosure describes your ability to withdraw funds at Traverse Catholic Federal Credit Union. It only applies to the availability of funds in transaction accounts; currently the only accounts that are transaction accounts are our Checking accounts. The Credit Union reserves the right to delay the availability of funds deposited to accounts that are not transaction accounts for periods longer than those disclosed in this policy. Please ask us if you have a question about which accounts are affected by this policy.

**1. GENERAL POLICY** — Our policy is to make funds from your cash and check deposits available to you on the same business day that we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before our cutoff hour (5:00 p.m.) on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after our cutoff hour or on a day we are not open or that is not a business day, we will consider that the deposit was made on the next business day we are open. Our cutoff hours are available at the Credit Union.

**2. RESERVATION OF RIGHT TO HOLD** — In some cases, we will not make all of the funds that you deposit by check available to you on the same business day that we receive your deposit. Funds may not be available until the second business day after the day of your deposit. However, the first \$200.00 of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the same business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees or if we decide to take this action after you have left the premises, we will mail you the notice by the next business day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

**3. HOLDS ON OTHER FUNDS** — If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this Disclosure for the type of check that you deposited.

**4. LONGER DELAYS MAY APPLY** — In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the seventh business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will

be available.

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

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

We will notify you if we delay your ability to withdraw funds for any of these reasons and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

**5. SPECIAL RULES FOR NEW ACCOUNTS** — If you are a new member, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000.00 will be available on the ninth business day after the day of your deposit. If your deposit of these

checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000.00 will not be available until the second business day after the day of your deposit. Funds from all other check deposits will be available on the tenth business day after the day of your deposit.

**6. DEPOSITS AT NONPROPRIETARY ATMS** — Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate may not be available until the fifth business day after the date of your deposit. This rule does not apply at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

**7. FOREIGN CHECKS** — Checks drawn on financial institutions located outside the U.S. (foreign checks) cannot be processed the same as checks drawn on U.S. financial institutions. Foreign checks are exempt from the policies outlined in this Disclosure. Generally, the availability of funds for deposits of foreign checks will be delayed for the time it takes us to collect the funds from the financial institutions upon which it is drawn.

**Questions.** In case you have any questions regarding our Funds Availability Policy, please contact us at 231-946-6655 or 800-207-9780.

Rev. 05/15/18

# TCFCU LOCATIONS

## Main Branch

3797 Veterans Drive • Traverse City, MI 49684  
Ph: (231) 946-6655 • Fax: (231) 946-1640

## Lake Leelanau Branch

209 St. Mary's Street • Lake Leelanau, MI 49653  
Ph: (231) 256-7778 • Fax: (231) 256-2083

## East Bay Branch

2322 US 31 N • Traverse City, MI 49686  
Ph: (231) 668-4900

## ATM LOCATIONS

Onsite ATM's are located at all branch locations.  
An additional ATM is located inside the Lake  
Leelanau BP Station.

# TC

TRAVERSE CATHOLIC  

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FEDERAL CREDIT UNION

[www.tcfedcu.org](http://www.tcfedcu.org)

Each TCFCU account is federally insured up to \$250,000 by  
the National Credit Union Share Insurance Fund, which is  
administered by the National Credit Union Administration.

