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# TERMS AND CONDITIONS OF YOUR ACCOUNT

**IMPORTANT ACCOUNT OPENING INFORMATION** - Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

**AGREEMENT** - This document, along with any other documents we give you pertaining to your account(s), is a contract that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you sign the signature card or open or continue to use the account, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this document. If you have any questions, please call us.

This agreement is subject to applicable federal laws, the laws of the state of Texas and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this document is to:

- (1) summarize some laws that apply to common transactions;
- (2) establish rules to cover transactions or events which the law does not regulate;
- (3) establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
- (4) give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this document is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this document is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this document the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this document are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so the singular includes the plural and the plural includes the singular. "Party" means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

**BYLAWS** - Our bylaws, which we may amend from time to time, establish basic rules about our credit union policies and operations which affect your account and membership. You may obtain a copy of the bylaws on request. Our right to require you to give us notice of your intention to withdraw funds from your account is described in the bylaws. Unless we have agreed otherwise, you are not entitled to receive any original item after it is paid, although you may request that we send you an item(s) or a copy of an item(s). Dividends are based on current earnings and available earnings of the credit union, after providing for required reserves.

**LIABILITY** - You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and can be deducted directly from the account balance whenever sufficient funds are available. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

**DEPOSITS** - We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of endorsement or lack of endorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an

allegedly forged, unauthorized or missing endorsement, claim of alteration, encoding error or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. If you deliver a deposit to us and you will not be present when the deposit is counted, you must provide us an itemized list of the deposit (deposit slip). To process the deposit, we will verify and record the deposit, and credit the deposit to the account. If there are any discrepancies between the amounts shown on the itemized list of the deposit and the amount we determine to be the actual deposit, we will notify you of the discrepancy. You will be entitled to credit only for the actual deposit as determined by us, regardless of what is stated on the itemized deposit slip. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check for deposit, we may require any third-party endorsers to verify or guarantee their endorsements, or endorse in our presence.

#### **WITHDRAWALS -**

**Generally** - Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to endorse any item payable to you or your order for deposit to this account or any other transaction with us.

**Postdated checks** - A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

**Checks and withdrawal rules** - If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply the frequency limitations. In addition, we may place limitations on the account until your identity is verified. Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify it as a transaction account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

See the funds availability policy disclosure for information about when you can withdraw funds you deposit. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for insufficient funds at any time between the time we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are insufficient available funds.

**A temporary debit authorization hold affects your account balance** - On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money, which may be more than the actual amount of your purchase. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it may be up to three days before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, that transaction will be a nonsufficient funds (NSF) transaction if we do not pay it or an overdraft transaction if we do pay it. You will be charged an NSF or overdraft fee according to our NSF or overdraft fee policy. You will be charged the fee even if you would have had sufficient funds in your account if the amount of the hold had been equal to the amount of your purchase.

Here is an example of how this can occur - assume for this example the following: (1) you have opted-in to our overdraft services for the payment of overdrafts on ATM and everyday debit card transactions, (2) we pay the overdraft, and (3) our overdraft fee is \$35 per overdraft, but we do not charge the overdraft fee if the transaction overdraws the account by less than \$10.

You have \$120 in your account. You swipe your card at the card reader on a gasoline pump. Since it is unclear what the final bill will be, the gas station's processing system immediately requests a hold on your account in a specified amount, for example, \$80. Our processing system authorizes a temporary hold on your account in the amount of \$80, and the gas station's processing system authorizes you to begin pumping gas. You fill your tank and the amount of gasoline you purchased is only \$50. Our processing system shows that you have \$40 in your account available for other transactions ( $\$120 - \$80 = \$40$ ) even though you would have \$70 in your account available for other transactions if the amount of the temporary hold was equal to the amount of your purchase ( $\$120 - \$50 = \$70$ ). Later, another transaction you have authorized is presented for payment from your account in the amount of \$60 (this could be a check you have written, another debit card transaction, an ACH debit or any other kind of payment request). This other transaction is presented before the amount of the temporary hold is adjusted to the amount of your purchase (remember, it may take up to three days for the adjustment to be made). Because the amount of this other transaction is greater than the amount our processing system shows is available in your account, our payment of this transaction will result in an overdraft transaction. Because the transaction overdraws your account by \$20, your account will be assessed the overdraft fee of \$35 according to our overdraft fee policy. You will be charged this \$35 fee according to our policy even though you would have had enough money in your account to cover the \$60 transaction if your account had only been debited the amount of your purchase rather than the amount of the temporary hold or if the temporary hold had already been adjusted to the actual amount of your purchase.

**Overdrafts** - You understand that we may, at our discretion, honor withdrawal requests that overdraw your account. However, the fact that we may honor withdrawal requests that overdraw the account balance does not obligate us to do so later. So you can NOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying overdrafts on your account without notice to you. You can ask us if we have other account services that might be available to you where we commit to paying overdrafts under certain circumstances, such as an overdraft protection line-of-credit or a plan to sweep funds from another account you have with us. You agree that we may charge fees for overdrafts. For consumer accounts, we will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to that service. We may use subsequent deposits, including direct deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

**Multiple signatures, electronic check conversion, and similar transactions** - An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the check to examine the signatures on the item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

#### **UNIFORM SINGLE-PARTY OR MULTIPLE-PARTY ACCOUNT SELECTION FORM**

**NOTICE** - The type of account you select may determine how property passes on your death. Your will may not control the disposition of funds held in some of the following accounts. You may choose to designate one or more convenience signers on an account, even if the account is not a convenience account. A designated convenience signer may make transactions on your behalf during your lifetime, but does not own the account during your lifetime. The designated convenience signer owns the account on your death only if the convenience signer is also designated as a P.O.D. payee or trust account beneficiary.

**SINGLE-PARTY ACCOUNT WITHOUT "P.O.D." (PAYABLE ON DEATH) DESIGNATION** - The party to the account owns the account. On the death of the party, ownership of the account passes as a part of the party's estate under the party's will or by intestacy.

**SINGLE-PARTY ACCOUNT WITH "P.O.D." (PAYABLE ON DEATH) DESIGNATION** - The party to the account owns the account. On the death of the party, ownership of the account passes to the P.O.D. beneficiaries of the account. The account is not a part of the party's estate.

**MULTIPLE-PARTY ACCOUNT WITHOUT RIGHT OF SURVIVORSHIP** - The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party's ownership of the account passes as a part of the party's estate under the party's will or by intestacy.

**MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP** - The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party's ownership of the account passes to the surviving parties.

**MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP AND "P.O.D." (PAYABLE ON DEATH) DESIGNATION** - The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of the last surviving party, the ownership of the account passes to the P.O.D. beneficiaries.

**CONVENIENCE ACCOUNT** - The parties to the account own the account. One or more convenience signers to the account may make account transactions for a party. A convenience signer does not own the account. On the death of the last surviving party, ownership of the account passes as a part of the last

surviving party's estate under the last surviving party's will or by intestacy. The financial institution may pay funds in the account to a convenience signer before the financial institution receives notice of the death of the last surviving party. The payment to a convenience signer does not affect the parties' ownership of the account.

**TRUST ACCOUNT** - The parties named as trustees to the account own the account in proportion to the parties' net contributions to the account. A trustee may withdraw funds from the account. A beneficiary may not withdraw funds from the account before all trustees are deceased. On the death of the last surviving trustee, the ownership of the account passes to the beneficiary. The trust account is not a part of a trustee's estate and does not pass under the trustee's will or by intestacy, unless the trustee survives all of the beneficiaries and all other trustees.

**BUSINESS, ORGANIZATION AND ASSOCIATION ACCOUNTS** - Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

**STOP PAYMENTS** - Unless otherwise provided, the rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law; it must be made in a dated, authenticated record that describes the item with certainty. (Generally, a "record" is information that is stored in such a way that it can be retrieved and can be heard or read and understood - you can ask us what type of stop payment records you can give us). We must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because stop-payment orders are handled by computers, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not. Your stop-payment order is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. We are not obligated to notify you when a stop-payment order expires. A release of the stop-payment request may be made only by the person who initiated the stop-payment order.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

**TELEPHONE TRANSFERS** - A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Unless a different limitation is disclosed in writing, we restrict the number of transfers from a savings account to another account or to third parties, to a maximum of six per month (less the number of "preauthorized transfers" during the month). Other account transfer restrictions may be described elsewhere.

**AMENDMENTS AND TERMINATION** - We may change our bylaws and any term of this agreement. Rules governing changes in rates are provided separately in the Truth-in-Savings disclosure or in another document. For other changes we will give you reasonable notice in writing or by any other method permitted by law. We may close this account if your membership in the credit union terminates, or by giving reasonable notice to you and tender of the account balance personally or by mail. Items presented for payment after the account is closed may be dishonored. When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items and charges to be paid from the account. Reasonable notice depends on the circumstances, and in some cases such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. At our option, we may suspend your rights to member services if you violate the terms of this agreement. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new term(s).

**NOTICES** - Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive it in time to have a reasonable opportunity to act on it. If the notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Written notice we give you is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we have on file. Notice to any of you is notice to all of you.

**STATEMENTS - Your duty to report unauthorized signatures, alterations and forgeries** - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you. You further agree that if you fail to report any unauthorized signatures, alterations or forgeries in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

**Your duty to report other errors** - In addition to your duty to review your statements for unauthorized signatures, alterations and forgeries, you agree to examine your statement with reasonable promptness for any other error - such as an encoding error. In addition, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing endorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

**Errors relating to electronic fund transfers or substitute checks** - For information on errors relating to electronic fund transfers (e.g., computer, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

**ACCOUNT TRANSFER** - This account may not be transferred or assigned without our prior written consent.

**DIRECT DEPOSITS** - If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

**TEMPORARY ACCOUNT AGREEMENT** - If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

**RIGHT TO REPAYMENT OF INDEBTEDNESS** - You each agree that we may (without prior notice and when permitted by law) charge against and deduct from this account any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

In addition to these contract rights, we may also have rights under a "statutory lien." A "lien" on property is a creditor's right to obtain ownership of the property in the event a debtor defaults on a debt. A "statutory lien" is one created by federal or state statute. If federal or state law provides us with a statutory lien, then we are authorized to apply, without prior notice, your shares and dividends to any debt you owe us, in accord with the statutory lien. Neither our contract rights nor rights under a statutory lien apply to this account if prohibited by law. For example, neither our contract rights nor rights under a statutory lien apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal arises only in a representative capacity, or (d) the debt is created by a home equity loan, or (e) setoff is prohibited by the Military Lending Act or its implementing regulations. We will not be liable for the dishonor of any check or draft when the dishonor occurs because we charge and deduct an amount you owe us from your account. You agree to hold us harmless from any claim arising as a result of our exercise of our right to repayment.

**RESTRICTIVE LEGENDS OR ENDORSEMENTS** - The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive endorsements or other special instructions on every check. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than \$1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive endorsement. For this reason, we are not required to honor any restrictive legend or endorsement or other special instruction placed on checks

you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks.

**PAYMENT ORDER OF ITEMS** - The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The payment order can affect the number of items overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we are providing you with the following information regarding how we process those items.

Our policy is to process electronic transactions, in real time as they occur on the day they are processed. We process ACH transactions, by dollar amount - smallest to largest at the start of the day they are processed. We process share draft clearings, by dollar amount - smallest to largest at the end of the day they are processed.

If a check, item or transaction is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for insufficient funds (NSF). We will not charge you a fee for paying an overdraft of an ATM or everyday debit card transaction if this is a consumer account and you have not opted-in to that service. The amounts of the overdraft and NSF fees are disclosed elsewhere, as are your rights to opt in to overdraft services for ATM and everyday debit card transactions, if applicable. We encourage you to make careful records and practice good account management. This will help you to avoid creating items without sufficient funds and potentially incurring the resulting fees.

**PLEDGES** - Each owner of this account may pledge all or any part of the funds in it for any purpose to which we agree. Any pledge of this account must first be satisfied before the rights of any surviving account owner or account beneficiary become effective.

**CHECK PROCESSING** - We process items mechanically by relying solely on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and endorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of endorsements unless you notify us in writing that the check requires multiple endorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

**CHECK CASHING** - We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash such a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

**ENDORSEMENTS** - We may accept for deposit any item payable to you or your order, even if they are not endorsed by you. We may give cash back to any one of you. We may supply any missing endorsement(s) for any item we accept for deposit or collection, and you warrant that all endorsements are genuine.

To ensure that your check or share draft is processed without delay, you must endorse it (sign it on the back) in a specific area. Your entire endorsement (whether a signature or a stamp) along with any other endorsement information (e.g. additional endorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Endorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all endorsement information within 1 1/2" of that edge.

It is important that you confine the endorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed endorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your endorsement, another endorsement or information you have printed on the back of the check obscures our endorsement.

These endorsement guidelines apply to both personal and business checks.

**DEATH OR INCOMPETENCE** - You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

**FIDUCIARY ACCOUNTS** - Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

**CREDIT VERIFICATION** - You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

**LEGAL ACTIONS AFFECTING YOUR ACCOUNT** - If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action. Or, in our discretion, we may freeze the assets in the account and not allow any payments out of the account until a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees and our internal expenses) may be charged against your account. The list of fees applicable to your account(s) provided elsewhere may specify additional fees that we may charge for certain legal actions.

**SECURITY** - It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your account(s). Do not discuss, compare, or share information about your account number(s) with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized.

Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

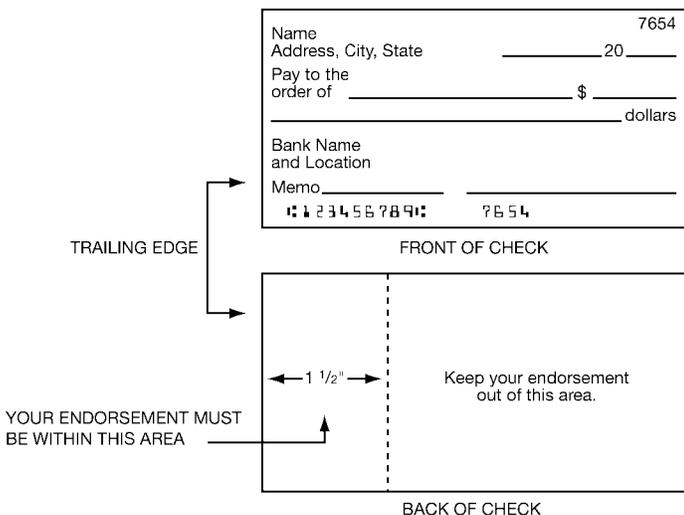
You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Except for consumer electronic funds transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, such as positive pay or commercially reasonable security procedures, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered, unless we acted in bad faith or to the extent our negligence contributed to the loss. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected.

**TELEPHONIC INSTRUCTIONS** - Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission or leave by voice mail or on a telephone answering machine.

**MONITORING AND RECORDING TELEPHONE CALLS AND CONSENT TO RECEIVE COMMUNICATIONS** - Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account we may need to contact you about your account from time to time by telephone, text messaging or email. However, we must first obtain your consent to contact you about your account because we must comply with the consumer protection provisions in the federal Telephone



Consumer Protection Act of 1991 (TCPA), CAN-SPAM Act and their related federal regulations and orders issued by the Federal Communications Commission (FCC).

- ◆ Your consent is limited to your account, and as authorized by applicable law and regulations.
- ◆ Your consent does not authorize us to contact you for telemarketing purposes (unless you otherwise agreed elsewhere).
- ◆ If you give us your cell number we can use it for any reason
- ◆ You will notify us if you transfer your cell number to another person
- ◆ You agree to notify us promptly if you change your cell number

With the above understandings, you authorize us to contact you regarding your account throughout its existence using any telephone numbers or email addresses that you have previously provided to us or that you may subsequently provide to us.

This consent is regardless of whether the number we use to contact you is assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service or any other service for which you may be charged for the call. You further authorize us to contact you through the use of voice, voice mail and text messaging, including the use of pre-recorded or artificial voice messages and an automated dialing device.

If necessary, you may change or remove any of the telephone numbers or email addresses at any time using any reasonable means to notify us.

**CLAIM OF LOSS** - If you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you.

You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

**EARLY WITHDRAWAL PENALTIES (and involuntary withdrawals)** - We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your notice of penalty for early withdrawals for additional information.

**ADDRESS OR NAME CHANGES** - You are responsible for notifying us of any change in your address or your name. Unless we agree otherwise, change of address or name must be made in writing by at least one of the account holders. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent address you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

**RESOLVING ACCOUNT DISPUTES** - We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

**WAIVER OF NOTICES** - To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit a check and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

**ACH AND WIRE TRANSFERS** - This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

**FACSIMILE SIGNATURES** - Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

**UTMA ACCOUNTS** - Under the Uniform Transfers to Minors Act, the funds in the account are owned by the child who has unconditional use of the account when he or she reaches the age of majority. Before that time, the account may be accessed only by the custodian (or successor custodian), and the funds must be used for the benefit of the child. We, however, have no duty or agreement whatsoever to monitor or insure that the acts of the custodian (or successor custodian) are for the child's benefit. We are not responsible to monitor age or eligibility for an UTMA account, even though our records may include the minor's date of birth. It is the custodian's responsibility to properly distribute the funds in the account upon the minor's death or attainment of the age of majority. For this type of account, the child's SSN/TIN is used for the Backup Withholding Certification.

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## NOTICE OF NEGATIVE INFORMATION

Federal law requires us to provide the following notice to members before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" includes information concerning delinquencies, overdrafts or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about members that have not done what they are required to do under our agreement.

After providing this notice, additional negative information may be submitted without providing another notice.

**We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.**

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## ELECTRONIC FUND TRANSFERS YOUR RIGHTS AND RESPONSIBILITIES

Indicated below are types of Electronic Fund Transfers we are capable of handling, some of which may not apply to your account. Please read this disclosure carefully because it tells you your rights and obligations for the transactions listed. You should keep this notice for future reference.

**Electronic Funds Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund 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 Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check or draft to an electronic fund transfer or to electronically pay a returned check or draft charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers 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 or withdrawal 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 fund transfers. Examples of these transfers include, but are not limited to:

- ◆ **Preauthorized credits.** You may make arrangements for certain direct deposits (such as for example, U.S. Treasury (Social Security) or some employers (payroll)) to be accepted into your checking or share savings account(s).
- ◆ **Preauthorized payments.** You may make arrangements to pay certain recurring bills from your checking account(s).
- ◆ **Electronic check or draft conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking or share draft account using information from your check or draft to pay for purchases or pay bills.
- ◆ **Electronic returned check or draft charge.** You may authorize a merchant or other payee to initiate an electronic funds transfer to collect a charge in the event a check or draft is returned for insufficient funds.

**iTalk Telephone Transfers - types of transfers** - You may access your account by telephone 24 hours a day at (409) 724-3500 using your personal identification number, a touch tone phone, and your account numbers, to:

- ◆ transfer funds from checking to checking
- ◆ transfer funds from checking to share savings
- ◆ transfer funds from share savings to checking
- ◆ transfer funds from share savings to share savings
- ◆ transfer funds from line of credit to checking
- ◆ transfer funds from line of credit to share savings
- ◆ make payments from checking to loan accounts with us
- ◆ make payments from checking to third parties

- ◆ make payments from share savings to loan accounts with us
- ◆ make payments from share savings to third parties
- ◆ get information about:
  - the account balance of checking accounts
  - the account balance of share savings accounts

**ATM Transfers - types of transfers, dollar limitations, and charges** - You may access your account(s) by ATM using your ATM Card and personal identification number or Check Card and personal identification number, to:

- ◆ get cash withdrawals from checking or share savings account(s) with an ATM or Check card
  - you may withdraw no more than \$500.00 per day
  - there is a charge of \$1.00 per withdrawal at ATMs we do not own or operate
- ◆ transfer funds from share savings to checking account(s) with an ATM or Check card
- ◆ transfer funds from checking to share savings account(s) with an ATM or Check card
- ◆ get information about:
  - the account balance of your checking or share savings account(s)
    - ◆ with an ATM card
    - ◆ with a debit card

Some of these services may not be available at all terminals.

**Types of ATM Card Point-of-Sale Transactions** - You may access your checking account(s) to purchase goods (in person), pay for services (in person), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

**Point-of-Sale Transactions - dollar limitations** - Using your card:

- ◆ you may not exceed \$3,000.00 in transactions per day

**Types of Check Card Point-of-Sale Transactions** - 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 do anything that a participating merchant will accept.

**Point-of-Sale Transactions - dollar limitations** - Using your card:

- ◆ you may not exceed \$3,000.00 in transactions per day

**Currency Conversion and International Transactions.** When you use your Visa® Check Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

Visa USA charges us a .8% International Service Assessment on all international transactions, regardless of whether there is a currency conversion. If there is a currency conversion, the International Service Assessment is 1% of the transaction. In either case, we pass this international transaction fee on to you. An international transaction is a transaction where the country of the merchant is outside the USA.

**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.

**Non-Visa Debit Transaction Processing.** We have enabled non-Visa debit transaction processing. This means you may use your Visa-branded debit card on a PIN-Debit Network\* (a non-Visa network) without using a PIN.

The non-Visa debit network(s) for which such transactions are enabled are: PULSE Network.

Examples of the types of actions that you may be required to make to initiate a Visa transaction on your Visa-branded debit card include signing a receipt, providing a card number over the phone or via the Internet, or swiping the card through a point-of-sale terminal.

Examples of the types of actions you may be required to make to initiate a transaction on a PIN-Debit Network include initiating a payment directly with the biller (possibly via telephone, Internet, or kiosk locations), responding to a logo displayed at a payment site and choosing to direct payment through that network, and having your identity verified using known information derived from an existing relationship with you instead of through use of a PIN.

The provisions of your agreement with us relating only to Visa transactions are not applicable to non-Visa transactions. For example, the additional limits on liability (sometimes referred to as Visa's zero-liability program) and the streamlined error resolution procedures offered on Visa debit card transactions are not applicable to transactions processed on a PIN-Debit Network.

\*Visa Rules generally define **PIN-Debit Network** as a non-Visa debit network that typically authenticates transactions by use of a personal identification number (PIN) but that is not generally known for having a card program.

**NetBranch Computer Transfers - types of transfers** - You may access your account(s) by computer through the internet by logging onto our website at [www.mctcu.org](http://www.mctcu.org) and using your user identification, your password, and your account numbers, to:

- ◆ transfer funds from checking to checking
- ◆ transfer funds from checking to share savings
- ◆ transfer funds from share savings to checking
- ◆ transfer funds from share savings to share savings
- ◆ transfer funds from line of credit to checking
- ◆ transfer funds from line of credit to share savings
- ◆ make payments from checking to loan account(s) with us

- ◆ make payments from checking to third parties
- ◆ make payments from share savings to loan account(s) with us
- ◆ get information about:
  - the account balance of checking account(s)
  - the account balance of share savings account(s)
  - get deposit, withdrawal, and loan history

#### FEES

- ◆ We do not charge for direct deposits to any type of account.
- ◆ We do not charge for preauthorized payments from any type of account. Except as indicated elsewhere, we do not charge for these electronic fund transfers.

**ATM Operator/Network Fees.** When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

#### DOCUMENTATION

- ◆ **Terminal transfers.** You can get a receipt at the time you make a transfer to or from your account using an automated teller machine or point-of-sale terminal. However, you may not get a receipt if the amount of the transfer is \$15 or less.

- ◆ **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 (409) 727-1446 or online [www.mctcu.org](http://www.mctcu.org) to find out whether or not the deposit has been made.

- ◆ **Periodic statements.**

You will get a monthly account statement from us for your checking accounts.

You will get a monthly account statement from us for your share savings accounts, unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

#### PREAUTHORIZED PAYMENTS

- ◆ **Right to stop payment and procedure for doing so.** 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 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.

Please refer to our fee schedule for the amount we will charge you for each stop-payment order you give.

- ◆ **Notice of varying amounts.** 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.)

- ◆ **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.

#### FINANCIAL INSTITUTION'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:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer.
- (2) If you have an overdraft line and the transfer would go over the credit limit.
- (3) If the automated teller machine where you are making the transfer does not have enough cash.
- (4) If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- (5) If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- (6) There may be other exceptions stated in our agreement with you.

#### CONFIDENTIALITY

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

- (1) where it is necessary for completing transfers; or
- (2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or
- (3) in order to comply with government agency or court orders; or
- (4) as explained in the separate Privacy Disclosure.

#### UNAUTHORIZED TRANSFERS

- (a) **Consumer liability.**

◆ **Generally.** Tell us AT ONCE if you believe your card and/or code has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check or draft. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, 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, including those made by card, code or other means, 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 a hospital stay) kept you from telling us, we will extend the time periods.

◆ **Additional Limit on Liability for Visa® Check Card.** Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa® Check Card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, or to transactions using your Personal Identification Number which are not processed by VISA®. Visa is a registered trademark of Visa International Service Association.

**(b) Contact in event of unauthorized transfer.** If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed in this disclosure. You should also call the number or write to the address listed in this disclosure if you believe a transfer has been made using the information from your check or draft without your permission.

#### **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 disclosure, 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.

(1) Tell us your name and account number (if any).

(2) 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.

(3) 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 (5 business days for Visa® Check Card point-of-sale transactions processed by Visa and 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 (5 business days for Visa® Check Card point-of-sale transactions processed by Visa and 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 with us before this 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.

MCT CREDIT UNION  
MEMBER SERVICES  
P.O. BOX 279

PORT NECHES, TEXAS 77651  
Business Days: Monday through Friday  
Excluding Federal Holidays  
Phone: (409) 727-1446

#### **MORE DETAILED INFORMATION IS AVAILABLE ON REQUEST NOTICE OF BASIC SAFETY PRECAUTIONS FOR ATM CARD AND NIGHT DEPOSIT FACILITY USERS**

As with all financial transactions, please exercise discretion when using an automated teller machine (ATM), night deposit facility or using your ATM card to make purchases on the Internet. For your own safety, be careful. The following suggestions may be helpful.

1. Prepare for your transactions at home (for instance, by filling out a deposit slip) to minimize your time at the ATM or night deposit facility.
2. Mark each transaction in your account record, but not while at the ATM or night deposit facility. Always keep your ATM receipts secure. Don't leave them at the ATM or night deposit facility because they may contain important account information. Shred your ATM receipts once they are no longer needed.
3. Don't lend your ATM card to anyone.
4. Remember, do not leave your card at the ATM. Do not leave any financial documents at a night deposit facility or lying out unsecured.
5. Protect the secrecy of your Personal Identification Number (PIN). Protect your ATM card as though it were cash. If your card has an embedded chip, consider keeping the card in a safety envelope to avoid undetected and unauthorized scanning. Don't tell anyone your PIN. Don't give anyone information regarding your ATM card or PIN over the telephone or Internet. If your ATM card can be used to make purchases, only consider providing card information over the telephone or the Internet if it is to a trusted merchant and for a call or transaction initiated by you - and never provide the merchant with the PIN to your ATM card.
6. Protect against ATM and Internet fraud. Promptly compare your monthly account statements or the account histories that you receive against your ATM and other receipts. If you make a purchase on the Internet,

end the transaction by logging out of the website instead of just closing the web browser.

7. Inspect an ATM before you use it. Look for possible tampering, or for the presence of an unauthorized attachment that could capture your PIN or other information from your card. Never enter your PIN in any ATM that does not look genuine, has been modified, has a suspicious device attached, or is operating in a suspicious manner. Don't write your PIN where it can be discovered. For example, don't keep a note of your PIN in your wallet or purse.
8. Protect the security of your PIN. Ensure no one can observe you entering your PIN into the ATM. An example of preventing others from seeing you enter your PIN is by using your body or hand to shield their view.
9. If you lose your ATM card or if it is stolen, promptly notify us. You should consult the other disclosures you have received about electronic fund transfers for additional information about what to do if your card is lost or stolen.
10. When you make a transaction, remain aware of your surroundings and exercise caution when withdrawing funds. Look out for suspicious activity near the ATM or night deposit facility, particularly if it is after sunset. At night, be sure that the facility (including the parking area and walkways) is well lighted. Consider having someone accompany you when you use the facility, especially after sunset. If you observe any problem, go to another ATM or night deposit facility.
11. Don't accept assistance from anyone you don't know when using an ATM or night deposit facility.
12. If you notice anything suspicious or if any other problem arises after you have begun an ATM transaction, you may want to cancel the transaction, put your card away and leave. You might consider using another ATM or coming back later.
13. Don't display your cash; put it away as soon as the ATM transaction is completed and wait to count the cash until you are in the safety of a locked enclosure such as your car, home, or in another secure area.
14. At a drive-up facility, make sure all the car doors are locked and all of the windows are rolled up, except the driver's window. Keep the engine running and remain alert to your surroundings.
15. We want the ATM and night deposit facility to be safe and convenient for you. Therefore, please tell us if you know of any problem with a facility. For instance, let us know if a light is not working or there is any damage to a facility. Please report any suspicious activity or crimes to both the operator of the facility and the local law enforcement officials immediately.

## **YOUR ABILITY TO WITHDRAW FUNDS**

This policy statement applies to all accounts.

Our policy is to make funds from your cash, check, and electronic direct deposits available to you immediately. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

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 closing 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 closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, 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 bank, 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 deposited 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.

#### **LONGER DELAYS MAY APPLY**

**Case-by-case delays.** In some cases, we will not make all of the funds that you deposit by check available to you immediately. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$200 of your deposits, however, will be available immediately.

If we are not going to make all of the funds from your deposit available immediately, 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.

**Safeguard exceptions.** 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.

#### 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 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available immediately if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 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 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.

## SUBSTITUTE CHECKS AND YOUR RIGHTS

As our member we think it's important for you to know about substitute checks. The following Substitute Check Disclosure provides information about substitute checks and your rights. So you will recognize substitute checks when you receive them, we have included a copy of the front side of a substitute check along with an explanation of the substitute check's components.

#### What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

#### What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

#### How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:

MCT Credit Union  
2736 Nall St., PO Box 279  
Port Neches, TX 77651

(409) 727-1446

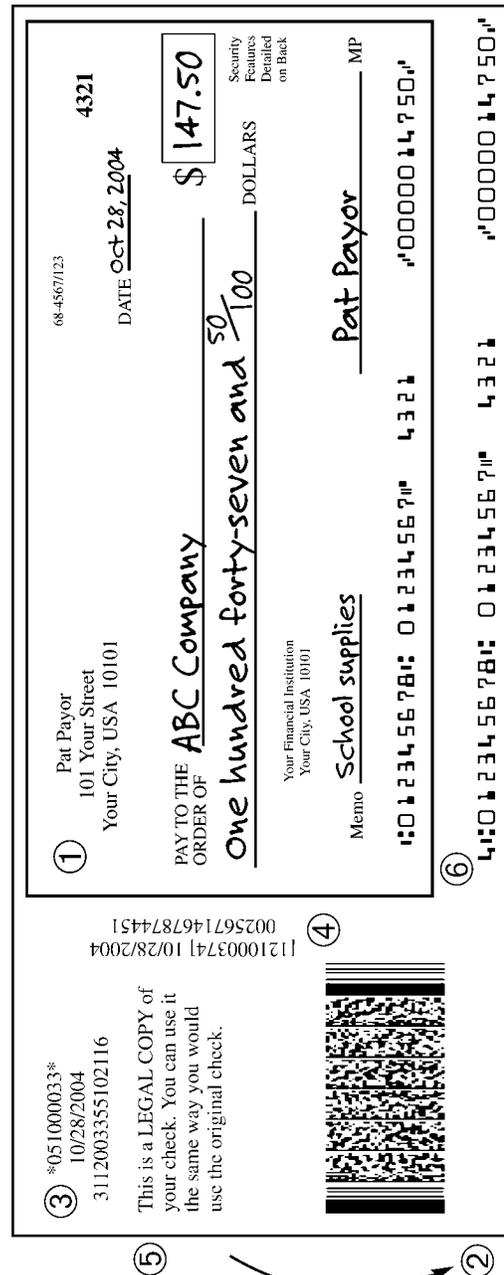
You must contact us within 60 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

- ◆ A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- ◆ An estimate of the amount of your loss;
- ◆ An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- ◆ A copy of the substitute check or the following information to help us identify the substitute check: the check number, the amount of the check, the date of the check, and the name of the person to whom you wrote the check

## SUBSTITUTE CHECK IMAGE

Below is an image of a sample substitute check. The numbers listed below the image correspond with the numbers on or near the substitute check image and the corresponding text explains the various components of a substitute check.



These numbers correspond with the numbers on the Substitute Check Image:

- 1 An image of the original check appears in the upper right-hand corner of the substitute check.
- 2 A substitute check is the same size as a standard business check.
- 3 The information in asterisks relates to the "reverting bank" (the financial institution that created the substitute check).
- 4 The information in brackets (appears sideways facing check image) relates to the "truncating bank"—the financial institution that took the original check out of the check processing system.
- 5 The Legal Legend states: *This is a LEGAL COPY of your check. You can use it the same way you would use the original check.*
- 6 The MICR lines at the bottom of the image of the original and at the bottom of the substitute check are the same except for the "4" at the beginning of the MICR line on the substitute check, which indicates that it is a substitute check being moved forward for collection purposes. It is also possible for the MICR line on the substitute check to begin with a "5" if the item is being returned. The rest of the MICR line is the same as the original check to ensure that it is processed as though it were the original.

## OVERDRAFT COURTESY INFORMATION

Overdraft Courtesy for checks and POS (Point of Sale) transactions may provide certain account holders in "good standing" with the ability to overdraw their personal checking account up to \$500.

Overdraft Courtesy offers additional flexibility and convenience in managing account owner funds, and provides peace of mind knowing that checks may be paid up to the authorized Overdraft Courtesy limit.

Please refer to the Overdraft Courtesy Agreement for complete details of our program.

## TRUTH-IN-SAVINGS DISCLOSURE

**AMERICAN SHARE INSURANCE (ASI)** - Your deposits are insured to \$250,000 per account. This institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money. Members' accounts are not insured or guaranteed by any government or government-sponsored agency.

### YOUR ACCOUNT

These are the accounts you have opened or inquired about. Further details about these accounts are inside this brochure. If the figures are not filled in, please see the insert that is with this disclosure or your periodic statement.

### SHARE ACCOUNT

**Last declared dividend rate:**

As of the last dividend declaration date, the dividend rate was \_\_\_\_\_ % with an annual percentage yield of \_\_\_\_\_ % on your account.

### Rate Information:

The dividend rate and annual percentage yield may change at any time, as determined by the Credit Union Board of Directors.

**Nature of Dividends** - Dividends are paid from current income and available earnings, after required transfer to reserves at the end of a dividend period.

**Compounding and crediting** - Dividends will be compounded every month. Dividends will be credited to your account every month.

**Dividend period** - For this account type, the dividend period is monthly, 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. The dividend declaration date is the last day of the dividend period, and for the example above is January 31.

If you close your account before dividends are paid, you will not receive the accrued dividends.

### Minimum balance requirements:

The minimum balance required to open this account is \$25.00.

You must maintain a minimum average daily balance of \$25.00 in your account to obtain the disclosed annual percentage yield.

**Average daily balance computation method** - Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the statement cycle.

**Accrual of dividends on noncash deposits** - Dividends will begin to accrue on the business day you place noncash items (for example, checks) to your account.

### Transaction limitations:

During any statement period, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, debit card, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

### INCONTROL CHECKING ACCOUNT

#### Account Overview

**InControl** is a variable fee-based checking account with no minimum balance that rewards accountholders with the ability to (a) eliminate the account's monthly service fee and (b) receive nationwide ATM fee refunds by adopting specific banking and spending behaviors during the account's "Monthly Qualification Cycle".

"Monthly Qualification Cycle" is a period beginning two business days prior to the first day of a calendar month through two business days prior to the last day of a calendar month. Transactions posted and settled on the last two business days will qualify for next month's transactions.

#### Fee

This account has a monthly fee of \$3.99. The fee can be waived when either or both of the **InControl** qualifications are met during a "Monthly Qualification Cycle".

#### Qualifications

To earn your rewards the following transactions and activities must post and settle to your **InControl** account during each "Monthly Qualification Cycle":

- ◆ Have a minimum of ten (10) debit card purchases post and settle
- ◆ Be enrolled in and agree to receive e-Statement

Transactions and activities must post and settle to the account during each "Monthly Qualification Cycle" and may take one (1) or more "Banking Days" from the date the transaction or activity occurred to post and settle to the account.

"Banking Day" means any business day on which an office of the Credit Union is open to the public for the purpose of carrying out substantially all of its banking functions.

The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, debit card purchases processed by merchants and received by our Credit Union as ATM transactions, non-retail payment transactions and purchases made with debit cards not issued by our Credit Union. Transactions bundled together by merchants and received by our institution as a single transaction count as a single transaction for the purpose of earning account rewards.

#### Rewards

When either or both of the **InControl** qualifications are met during a "Monthly Qualification Cycle", you will receive the following rewards:

- ◆ If EITHER Qualification is met: The account's monthly fee will be waived for that corresponding "Statement Cycle".
- ◆ If BOTH Qualifications are met: In addition to the account's fee being waived, you will also receive reimbursements up to an aggregate total of \$25 for nationwide ATM fees incurred during that "Monthly Qualification Cycle". If you believe you have not been reimbursed the correct amount of ATM fees, you must contact us within sixty (60) calendar days after the "Statement Cycle" where the reimbursement was applicable in order to receive a refund.

"Statement Cycle" means the period of time for which MCT Credit Union provides a summary of the financial activities and transactions that post and settle to the accountholder's account.

When either or both qualifications are not met, the monthly service fee is charged and ATM fees are not reimbursed.

Fees and rewards are variable and at our discretion may change after account is opened without notice to you. No minimum balance is required to earn or to receive the account's rewards. Rewards less than a penny cannot be distributed.

#### Additional Information

A \$25 minimum deposit is required to open the checking account. This account is not to be used for commercial purposes. This account's monthly service fee will be charged to the account on the first day of the following "Statement Cycle". See accompanying "Schedule of Fees" for fees that may apply to this account. Enrollment in electronic services (i.e. electronic statements) may be required to meet some of this account's qualifications. Insured by American Share Insurance. **InControl** is a trademark of Kasasa Ltd., registered in the U.S.A.

### MONEY MARKET ACCOUNT

**Last declared dividend rate:**

As of the last dividend declaration date, the dividend rate was \_\_\_\_\_ % with an annual percentage yield of \_\_\_\_\_ % on your account.

**Rate Information** - The interest rate and annual percentage yield may change at any time, as determined by the credit union board of directors.

**Compounding and crediting** - Interest will be compounded every month. Interest will be credited to your account every month.

### Minimum balance requirements:

The minimum balance required to open this account is \$2,500.00.

You must maintain a minimum average daily balance of \$2,500.00 in your account to obtain the disclosed annual percentage yield.

**Average daily balance computation method** - Dividends are calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the statement cycle.

**Accrual of interest on noncash deposits** - Interest will begin to accrue on the business day you deposit noncash items (for example, checks) to your account.

### Transaction limitations:

During any statement period, you may not make more than six withdrawals or transfers to another credit union account of yours or to a third party by means of a preauthorized, automatic, or computer transfer, telephonic order or instruction, or by check, draft, debit card, or similar order to a third party. If you exceed the transfer limitations set forth above, your account will be subject to closure by the credit union.

### CERTIFICATE OF DEPOSIT/INDIVIDUAL RETIREMENT CD

**Rate Information** - The interest rate on your account is \_\_\_\_\_ % with an annual percentage yield of \_\_\_\_\_ %. You will be paid this rate until first maturity.

**Compounding frequency** - Unless otherwise paid, interest will be compounded every month.

**Crediting frequency** - Interest will be credited to your account every month. Alternatively, you may choose to have interest paid to you or to another account every month rather than credited to this account.

**Effect of closing an account** - If you close your account before interest is paid, you will not receive the accrued interest.

### Minimum balance requirements:

The minimum balance required to open this account is \$1,000.00.

You must maintain a minimum average daily balance of \$1,000.00 in your account to obtain the disclosed annual percentage yield.

**Average daily balance computation method** - Interest is calculated by the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the statement cycle.

**Accrual of interest on noncash deposits** - Interest will begin to accrue on the business day you deposit noncash items (for example, checks) to your account.

**Transaction limitations:**

After the account is opened, you may not make deposits into the account until the maturity date stated on the account.

You may make withdrawals of principal from your account before maturity only if we agree at the time you request the withdrawal. Principal withdrawn before maturity is included in the amount subject to early withdrawal penalty.

You can only withdraw interest credited in the term before maturity of that term without penalty. You can withdraw interest anytime during the term of crediting after it is credited to your account.

**Time requirements** - Refer to your Certificate of Deposit.

**Early withdrawal penalties** (a penalty may be imposed for withdrawals before maturity) -

The penalty we may impose will equal half the interest that the certificate would have earned which could result in a reduction of principal.

In certain circumstances such as the death or incompetence of an owner of this account, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

**Withdrawal of interest prior to maturity** - The annual percentage yield is based on an assumption that interest will remain in the account until maturity. A withdrawal will reduce earnings.

**Automatically renewable account** - This account will automatically renew at maturity. You may prevent renewal if you withdraw the funds in the account at maturity (or within the grace period mentioned below, if any) or we receive written notice from you within the grace period mentioned below, if any. We can prevent renewal if we mail notice to you at least 30 calendar days before maturity. If either you or we prevent renewal, interest will not accrue after final maturity.

Each renewal term will be the same as the original term, beginning on the maturity date. The interest rate will be the same we offer on new time accounts on the maturity date which have the same term, minimum balance (if any) and other features as the original time account.

You will have a grace period of 10 calendar days after maturity to withdraw the funds without being charged an early withdrawal penalty.

**KASASA CASH ACCOUNT**

**Account Overview**

**Kasasa Cash** is a free, variable rate checking account with no minimum balance that rewards accountholders with dividends and nationwide ATM fee refunds when they meet minimum qualifications during the account's "Monthly Qualification Cycle".

"Monthly Qualification Cycle" is a period beginning two business days prior to the first day of a calendar month through two business days prior to the last day of a calendar month. Transactions posted and settled on the last two business days will qualify for next month's qualification.

**Purpose and Expected Use of Account**

This account is intended to be the accountholder's primary checking account in which payroll transactions and day-to-day spending activities including but not limited to grocery, gasoline, apparel, shopping, dining, sporting and entertainment transactions are posted and settled.

Commensurate with the spending activities identified above, we expect the account's debit card to be used frequently throughout each month and for transaction amounts to reflect a wide dollar range. Small debit card transactions conducted on the same day at a single merchant and/or multiple transactions made during a condensed time period particularly near the end of a "Monthly Qualification Cycle" are not considered normal, day-to-day spending behavior. These types of transactions appear to be conducted with the sole purpose of qualifying for the account's rewards and thus will be deemed inappropriate transactions and will not count toward earning the account's rewards.

MCT Credit Union reserves the right to determine if the account is being maintained for a purpose other than day-to-day, primary use. Accountholders who persist in making debit card transactions in a calculated and limited fashion in order to meet their monthly qualifications may have their accounts converted to a different checking account or closed altogether.

We have the right to close this account at any time, with proper notice. Our decision to close the account will not affect your existing obligations to us including any obligation to pay fees or charges incurred prior to termination. No deposits will be accepted and no checks will be paid after the account is closed. If the account is closed, you will forfeit any rewards that have not been credited to your account. An MCT Credit Union check for the remaining balance, if applicable, will be mailed to accountholder at the address indicated on our current records. Upon termination of your **Kasasa Cash** account, any optional add-on products / services associated with this account will also be terminated at the same time.

**Dividend Rate & Annual Percentage Yield (APY)**

**Compounding & Crediting:** Dividends will be compounded on a monthly basis. Dividends will be credited to your account on the first day of the following "Statement Cycle". If you close your account before the dividends are credited, you will not receive the accrued dividends. Dividends begin to accrue on the "Banking Day" you deposit noncash items (for example, checks).

"Statement Cycle" means the period of time for which MCT Credit Union provides a summary of the financial activities and transactions that post and settle to the accountholder's account.

"Banking Day" means any business day on which an office of the Credit Union is open to the public for the purpose of carrying out substantially all of its banking functions.

**Balance Computation Method:** We use the average daily balance method to calculate the dividends on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. The period we use is the "Statement Cycle".

**Dividend Rate & Annual Percentage Yield:** When your **Kasasa Cash** account qualifications are met during a "Monthly Qualification Cycle", Tier 1: A dividend rate of \_\_\_\_\_ % will be paid on the portion of your average daily balance that is less than or equal to \$25,000. The annual percentage yield APY for this tier is \_\_\_\_\_ %.

Tier 2: A dividend rate of \_\_\_\_\_ % will be paid on the portion of your average daily balance that is greater than \$25,000.00.

When your **Kasasa Cash** account qualifications are not met, the dividend rate paid on the entire balance will be \_\_\_\_\_ % with an annual percentage yield APY of \_\_\_\_\_ %.

APY = Annual Percentage Yield.  
**Qualifications**  
To earn your rewards just do the following transactions and activities in your **Kasasa Cash** account during each "Monthly Qualification Cycle":

- ◆ Have a minimum of one (1) direct deposit, one (1) ACH transaction or one (1) bill pay transaction post and settle
- ◆ Have a minimum of ten (10) debit card purchases post and settle
- ◆ Be enrolled in and agree to receive e-Statements
- ◆ Be enrolled in and log into online banking

Transactions and activities must post and settle to the account during each "Monthly Qualification Cycle" and may take one (1) or more "Banking Days" from the date the transaction or activity occurred to post and settle to the account.

The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, debit card purchases processed by merchants and received by our Credit Union as ATM transactions, non-retail payment transactions and purchases made with debit cards not issued by our Credit Union. Transactions bundled together by merchants and received by our institution as a single transaction count as a single transaction for the purpose of earning account rewards.

**Rewards**  
When **Kasasa Cash** qualifications are met during a "Monthly Qualification Cycle",

(1) a dividend rate of \_\_\_\_\_ % will be paid on the portion of your average daily balance that is less than or equal to \$25,000 and the annual percentage yield APY for this tier is \_\_\_\_\_ %.

A dividend rate of \_\_\_\_\_ % will be paid on the portion of your average daily balance that is greater than \$25,000 and (2) you will receive reimbursements up to an aggregate total of \$25 for nationwide ATM withdrawal fees imposed by other financial institutions and incurred during the "Monthly Qualification Cycle" in which you qualified.

We reimburse ATM withdrawal fees based on estimates when the withdrawal information we receive does not identify the ATM fee. If you have not received an appropriate reimbursement, we will adjust the reimbursement amount if we receive the transaction receipt within sixty (60) calendar days of the withdrawal transaction. When **Kasasa Cash** qualifications are not met, the dividend rate paid on the entire balance will be \_\_\_\_\_ % with an annual percentage yield APY of \_\_\_\_\_ % and ATM fees are not refunded.

Dividends and ATM fee reimbursements will be credited to the account on the first processing day of the following "Statement Cycle".

Rates and rewards are variable and at our discretion may change after account is opened without notice to you. Fees may reduce earnings. No minimum balance is required to earn or to receive the account's rewards. Rewards less than a penny cannot be distributed.

**Additional Information**

A \$25 minimum deposit is required to open the checking account. This account is not to be used for commercial purposes and there is a limit of one (1) account per social security number. There are no fees to open or close this account. There are no recurring monthly service charges associated with this account. See accompanying "Schedule of Fees" for fees that may apply to this account. Enrollment in electronic services (e.g. online banking, electronic statements) is required to meet the account qualifications. Contact a MCT Credit Union service representative for additional information, details and enrollment instructions. Insured by American Share Insurance. **Kasasa Cash** is a trademark of Kasasa, Ltd. registered in the U.S.A.

**KASASA CASH BACK ACCOUNT**

**Account Overview**  
**Kasasa Cash Back** is a free, variable rate, rewards checking account with no minimum balance that rewards accountholders with cash back on their debit card purchases and nationwide ATM fee refunds when they meet minimum qualifications during the account's "Monthly Qualification Cycle".

"Monthly Qualification Cycle" is a period beginning two business days prior to the first day of a calendar month through two business days prior to the last day of a calendar month. Transactions posted and settled on the last two business days will qualify for next month's qualification.

**Purpose and Expected Use of Account**  
This account is intended to be the accountholder's primary checking account in which payroll transactions and day-to-day spending activities, including but not

limited to grocery, gasoline, apparel, shopping, dining, sporting and entertainment transactions are posted and settled.

Commensurate with the spending activities identified above, we expect the account's debit card to be used frequently throughout each month and for transaction amounts to reflect a wide dollar range. Small debit card transactions conducted on the same day at a single merchant and/or multiple transactions made during a condensed time period particularly near the end of a "Monthly Qualification Cycle" are not considered normal, day-to-day spending behavior. These types of transactions appear to be conducted with the sole purpose of qualifying for the account's rewards and thus will be deemed inappropriate transactions and will not count toward earning the account's rewards.

MCT Credit Union reserves the right to determine if the account is being maintained for a purpose other than day-to-day, primary use. Accountholders who persist in making debit card transactions in a calculated and limited fashion in order to meet their monthly qualifications may have their accounts converted to a different checking account or closed altogether.

We have the right to close this account at any time, with proper notice. Our decision to close the account will not affect your existing obligations to us including any obligation to pay fees or charges incurred prior to termination. No deposits will be accepted and no checks will be paid after the account is closed. If the account is closed, you will forfeit any rewards that have not been credited to your account. An MCT Credit Union check for the remaining balance, if applicable, will be mailed to accountholder at the address indicated on our current records. Upon termination of your **Kasasa Cash Back** account, any optional add-on products / services associated with this account will also be terminated at the same time.

#### Qualifications

To earn your rewards just do the following transactions and activities in your **Kasasa Cash Back** account during each "Monthly Qualification Cycle":

- ◆ Have a minimum of one (1) direct deposit, one (1) ACH transaction or one (1) bill pay transaction post and settle
- ◆ Have a minimum of ten (10) debit card purchases post and settle
- ◆ Be enrolled in and agree to receive e-Statements
- ◆ Be enrolled in and log into online banking

Transactions and activities must post and settle to the account during each "Monthly Qualification Cycle" and may take one (1) or more "Banking Days" from the date the transaction or activity occurred to post and settle to the account.

"Banking Day" means any business day on which an office of the Credit Union is open to the public for the purpose of carrying out substantially all of its banking functions.

The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, debit card purchases processed by merchants and received by our Credit Union as ATM transactions, non-retail payment transactions and purchases made with debit cards not issued by our Credit Union. Transactions bundled together by merchants and received by our institution as a single transaction count as a single transaction for the purpose of earning account rewards.

#### Rewards

When **Kasasa Cash Back** qualifications are met during a "Monthly Qualification Cycle", you will receive (1) 2.50% cash back on debit card purchases that post and settle to the account during that cycle period up to a maximum cash back earned of \$7.50 per "Monthly Qualification Cycle", as well as (2) reimbursements up to an aggregate total of \$25 for nationwide ATM withdrawal fees imposed by other financial institutions and incurred during the "Monthly Qualification Cycle" in which you qualified. We reimburse ATM fees based on estimates when the withdrawal information we receive does not identify the ATM fee. If you have not received an appropriate reimbursement, we will adjust the reimbursement amount if we receive the transaction receipt within sixty (60) calendar days of the withdrawal transaction.

Cash back payments and ATM refunds will be credited to the account on the first day of the following "Statement Cycle".

"Statement Cycle" means the period of time for which MCT Credit Union provides a summary of the financial activities and transactions that post and settle to the accountholder's account.

When **Kasasa Cash Back** qualifications are not met, you will not receive cash back on debit card purchases and ATM fees are not refunded.

Rates and rewards are variable and at our discretion may change after account is opened without notice to you. Fees may reduce earnings. No minimum balance is required to earn or to receive the account's rewards. Rewards less than a penny cannot be distributed.

#### Additional Information

A \$25 minimum deposit is required to open the checking account. This account is not to be used for commercial purposes and there is a limit of one (1) account per social security number. There are no fees to open or close this account. There are no recurring monthly service charges associated with this account. See accompanying "Schedule of Fees" for fees that may apply to this account. Enrollment in electronic services (e.g. online banking, electronic statements) is required to meet the account qualifications. Contact a MCT Credit Union service representative for additional information, details and enrollment instructions. Insured by American Share Insurance. **Kasasa Cash Back** is a trademark of Kasasa, Ltd. registered in the U.S.A.

#### KASASA SAVER ACCOUNT

**Account Overview** - Kasasa Saver is a free, variable rate, deposit account with no minimum balance that rewards accountholder with dividends when they meet the minimum qualifications associated with their linked Kasasa Cash or Kasasa Cash Back checking account during each "Monthly Qualification Cycle".

**Rate Information** - The dividend rate and annual percentage yield may change at any time, as determined by the Credit Union Board of Directors.

#### Dividend Rate & Annual Percentage Yield (APY)

- ◆ **Compounding & Crediting Within Kasasa Saver Account** - Interest will be compounded on a monthly basis. Interest will be credited to your account on the first day of the Statement Cycle. If you close your account before the interest is credited, you will not receive the accrued interest. Interest begins to accrue on the business day you deposit noncash items (for example, checks).

"Statement Cycle" means the period of time for which MCT Credit Union provides a summary of the financial activities and transactions that post and settle to the accountholder's account.

- ◆ **Balance Computation Method** - We use the average daily balance method to calculate the interest on your account. This method applies a periodic rate to the average daily balance in the account for the period. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in their period. The period we use is the Statement Cycle.

**Interest Rate & Annual Percentage Yield** - The interest rate and Annual Percentage Yield (APY) associated with your Kasasa Saver account when linked to either a Kasasa Cash or a Kasasa Cash Back account is documented below. Please refer to the appropriate Kasasa Cash or Kasasa Cash Back Truth In Savings Disclosure for specific qualification information.

When your linked Kasasa Cash or Kasasa Cash Back account qualifications are met during a "Monthly Qualification Cycle" an interest rate of \_\_\_\_\_ % will be paid on the portion of your daily balance

that is less than or equal to \$25,000 and the annual percentage yield for this tier is \_\_\_\_\_ %.

An interest rate of \_\_\_\_\_ % will be paid on the portion of your daily balance that is greater than \$25,000. Interest and ATM fee reimbursements will be credited to your Kasasa Cash account on the first processing day of the following Statement Cycle and are automatically transferred to the linked Kasasa Saver account within one day.

If your linked Kasasa Cash or Kasasa Cash Back account qualifications are not met all balances in your Kasasa Saver account earn a dividend rate

of \_\_\_\_\_ % with an annual percentage yield of \_\_\_\_\_ %.  
APY = Annual Percentage Yield

#### Additional Information Regarding Your Kasasa Saver Account.

**Linked Accounts:** You must have a linked Kasasa Cash or a linked Kasasa Cash Back account in order to open a Kasasa Saver account, and the Kasasa Cash or Kasasa Cash Back account must remain open throughout the period that you hold the Kasasa Saver account. In the event that you or we close your Kasasa Cash or your Kasasa Cash Back account, your Kasasa Saver account will be closed as well. When linked to Kasasa Saver, cash back payments and ATM fee reimbursements earned within the Kasasa Cash Back account are credited directly to the Kasasa Cash Back account and then transferred to your Kasasa Saver account on the first processing day of the following Statement Cycle. When linked to the Kasasa Cash, the dividends and ATM fee reimbursements earned within the Kasasa Cash account are credited directly to the Kasasa Cash account and then transferred to your Kasasa Saver account on the first processing day of the following Statement Cycle. Interest in Kasasa Cash does not compound because it is automatically transferred to the Kasasa Saver account. Note: Automatic transfer may cause an overdraft to your Kasasa Cash account, if the account's balance is less than the transferred amount when transfer occurs.

- ◆ **Account Limitations:** Transfers or withdrawals from a Kasasa Saver to (a) another account of the same depositor at our institution or to (b) a third party or an account of the same depositor at another bank, if made by preauthorized transfer, automatic transfer, telephone, fax or internet banking service and (c) transfers or withdrawals to a third party or to an account of the depositor to another account at another bank made by check, draft, debit card are limited to an aggregate total of six (6) per calendar month. There is no limit to the number of transfers or withdrawals from your Kasasa Saver account made in person, by mail, or at an ATM. These transactions are considered made on the date the transaction posts and settles to your account, not the date the withdrawal request was initiated.

**Minimum Deposit, Use & Number of Accounts:** A \$25 minimum deposit is required to open the Kasasa Saver account and no minimum balance is required to qualify for the account's rewards. This account is not to be used for commercial purposes and there is a limit of one Kasasa Saver account per member.

**More Details:** Enrollment in electronic services (e.g. online banking, electronic statements) may be required to meet some of the Kasasa Saver's linked Kasasa Cash or Kasasa Cash Back account's qualifications. Contact a member service representative for additional information, details and enrollment instructions.

**Trademarks:** Kasasa Saver, Kasasa Cash and Kasasa Cash Back are trademarks of Kasasa Ltd., registered in the U.S.A.

#### KASASA TUNES ACCOUNT

##### Account Overview

**Kasasa Tunes** is a free, variable rewards checking account with no minimum balance that rewards accountholder with reimbursement on iTunes or Amazon.com purchases and nationwide ATM fee refunds when they meet minimum qualifications during the account's "Monthly Qualification Cycle".

"Monthly Qualification Cycle" is a period beginning two business days prior to the first day of a calendar month through two business days prior to the last day of a calendar month. Transactions on the last two business days will qualify for next month's qualification.

**Sign Up Bonus**

As a sign up bonus to individuals at least 18 years of age who open and fund a new **Kasasa Tunes** account, our Credit Union will refund up to an aggregate total of \$15 (which includes any applicable taxes) for any iTunes or Amazon.com purchases made with your **Kasasa Tunes** debit card that post and settle to the account within the first 60 calendar days after your account is opened. This refund will be credited to your account on the first processing day of the following statement cycle after your aggregate iTunes or Amazon.com purchase threshold of \$15 posts and settles to your account. Any portion of the sign up bonus that is not used within the stated time period will be forfeited. No minimum balance is required to obtain this bonus. A \$25 minimum balance is required to open this account. Limit one account per social security number and one sign up bonus per account per calendar year. Sign up bonus will not be paid if accountholder switches into **Kasasa Tunes** from another Kasasa account that offered an account opening incentive to open the initial account.

**Purpose and Expected Use of Account**

This account is intended to be the accountholder's primary checking account in which payroll transactions and day-to-day spending activities, including but not limited to grocery, gasoline, apparel, shopping, dining, sporting and entertainment transactions are posted and settled.

Commensurate with the spending activities identified above, we expect the account's debit card to be used frequently throughout each month and for transaction amounts to reflect a wide dollar range. Small debit card transactions conducted on the same day at a single merchant and/or multiple transactions made during a condensed time period particularly near the end of a "Monthly Qualification Cycle" *are not* considered normal, day-to-day spending behavior. These types of transactions appear to be conducted with the sole purpose of qualifying for the account's rewards and thus will be deemed inappropriate transactions and will not count toward earning the account's rewards.

MCT Credit Union reserves the right to determine if the account is being maintained for a purpose other than day-to-day, primary use. Accountholders who persist in making debit card transactions in a calculated and limited fashion in order to meet their monthly qualifications may have their accounts converted to a different checking account or closed altogether.

We have the right to close this account at any time, with proper notice. Our decisions to close the account will not affect your existing obligations to us including any obligation to pay fees or charges incurred prior to termination. No deposits will be accepted and no checks will be paid after the account is closed. If the account is closed, you will forfeit any rewards that have not been credited to your account. An MCT Credit Union check for the remaining balance, if applicable, will be mailed to accountholder at the address indicated on our current records. Upon termination of your **Kasasa Tunes** account, any optional add-on products / services associated with this account will also be terminated at the same time.

**Qualifications**

To earn your account rewards just do the following transactions and activities in your **Kasasa Tunes** account during each "Monthly Qualification Cycle":

- ◆ Have a minimum of one (1) direct deposit, one (1) ACH transaction or one (1) bill pay transaction post and settle
- ◆ Have a minimum of ten (10) debit card purchases post and settle
- ◆ Be enrolled in and agree to receive e-Statement
- ◆ Be enrolled in and log into online banking

Transactions must post and settle to the account during each "Monthly Qualifications Cycle" and may take one (1) or more "Banking Days" from the date the transaction or activity occurred to post and settle to the account.

"Banking Day" means any business day on which an office of the Credit Union is open to the public for the purpose of carrying out substantially all of its banking functions.

The following activities do not count toward earning account rewards: ATM-processed transactions, transfers between accounts, debit card purchases processed by merchants and received by our Credit Union as ATM transactions, non-retail payment transactions and purchases made with debit cards not issued to our Credit Union. Transactions bundled together by merchants and received by our institution as a single transaction count as a single transaction for the purpose of earning account rewards.

**Rewards**

When **Kasasa Tunes** qualifications are met during a "Monthly Qualification Cycle": (1) you will earn up to an aggregate total of \$7.50 (which includes any applicable taxes) in refunds for any iTunes or Amazon.com purchases. In order to be refunded, iTunes or Amazon.com purchases must be made with your MCT Credit Union **Kasasa Tunes** debit card and must post and settle to your account no more than 30 days after the "Monthly Qualification Cycle" (2) iTunes or Amazon.com refunds and ATM fee reimbursements will be credited to your account on the first processing day of the "Statement Cycle" immediately following the one in which these purchases post and settle to your account and the ATM fees were incurred. When **Kasasa Tunes** qualifications *are not met*, iTunes or Amazon.com purchases and ATM fees are not refunded. "Statement Cycle" means the period of time for which MCT Credit Union provides a summary of the financial activities and transactions that post and settle to the accountholder's account.

**Reward Administration**

iTunes and Amazon.com purchases are refunded via a "grant" and "credit" process. On the last day of each "Statement Cycle" in which you qualify, we establish a refund "grant" of up to and including \$7.50 for your account. Each

"grant" is valid for up to and including 30 calendar days. All iTunes and Amazon.com refunds are "credited" against your account's oldest active "grant". If the account is closed, you will forfeit any refund grants that have not been credited to your account. Rates and rewards are variable and at our discretion may change after account is opened without notice to you. Fees may reduce earnings. No minimum balance is required to earn or to receive the account's rewards. Rewards less than a penny cannot be distributed.

**Additional Information**

A \$25 minimum deposit is required to open the checking account. This account is not to be used for commercial purposes and there is a limit of one account per social security number. There are no fees to open or close this account. There are no recurring monthly service charges associated with this account. See accompanying "Schedule of Fees" for fees that may apply to this account. Enrollment in electronic services (e.g. online banking, electronic statements) may be required to meet some of this account's qualifications. Contact a MCT Credit Union service representative for additional information, details and enrollment instructions. **Kasasa Tunes** is a trademark of Kasasa Ltd., registered in the U.S.A. iTunes is a registered trademark of Apple, Inc. Amazon.com is a registered trademark of Amazon.com. Apple Inc. and Amazon.com are not participants in or sponsors of this program. Insured by American Share Insurance.

**FEE SCHEDULE**

**Bylaw requirements:**

If the balance in your share savings account falls below the par value of one share (\$25.00), and you do not increase the balance to at least the par value of one share within the dividend period of the reduction, you may be terminated from membership at the end of the dividend period in which the account elapses.

**Nature of dividends** - Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period.

**Limits and fees** - The following fees may be assessed against your account and the following transaction limitations, if any, apply to your account.

Commercial Checking Account service charge .....	\$10.00
Replace ATM/Debit Card .....	\$7.00 per card
ATM cash withdrawal from account(s) from foreign terminals .....	\$1.00
Balance inquiry at ATM on account(s) from foreign terminals .....	\$1.00
Transfer of funds from one account(s) to another at ATM from foreign terminals .....	\$1.00
Debit card hold inquiry .....	\$5.00
Debit card purchase receipt order .....	\$15.00
Automatic transfer between account(s) held with us Excessive Reg D transfers fee (more than 6 per month) .....	\$30.00
Gift cards .....	\$3.95
Travel Cards .....	\$3.95
Travel Cards (adding funds to card) .....	\$3.95
Check orders .....	(fee depends on style ordered)
Temporary checks .....	\$5.00 per 12 checks
Money order \$0.00 - \$100.00 .....	\$1.00
\$100.01 - \$500.00 .....	\$1.50
\$500.01 - \$1,000.00 .....	\$2.00
Photocopies of checks (2 per month free) .....	\$4.00 per copy
Return check on a member deposit .....	\$10.00
Copies of deposited checks .....	\$4.00 per check
The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: share draft, in-person withdrawal, ATM withdrawal, or other electronic means.	
Overdraft/NSF transfer fee .....	\$5.00
Overdraft/NSF fee .....	\$30.00
Courtesy overdraft fee .....	\$30.00
Nonsufficient funds for credit card payment .....	\$30.00
Account activity printout .....	\$5.00
Account research (minimum \$5.00) .....	\$15.00 per hour
Account balancing assistance .....	\$15.00 per hour
Copy of statement .....	\$5.00 per month
Return statement .....	\$5.00 per month
Check by Phone .....	\$10.00
Stop payment (ACH or checks) .....	\$25.00
Wire transfer Outgoing .....	\$20.00
International .....	\$20.00, plus international fees
Garnishments .....	\$50.00, plus attorney fees
Levies (state and IRS) .....	\$50.00
Safe deposit box rent .....	\$15.00 - \$55.00 per year
Amortization schedule .....	\$5.00
Special service .....	\$5.00 - \$50.00 per occurrence
Loan late fee .....	5% of payment, not to exceed \$25.00
Collection items .....	\$10.00 plus any additional third party fee
Membership account closing within the first 90 days .....	\$15.00
Copies of 1099INT, 1098, 1099R, 5498 .....	\$5.00
Kasasa Account paper statement .....	\$3.99
InControl Checking Account .....	\$3.99



2736 Nall Street  
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<b>ASI</b>	American Share Insurance Your deposits are insured to \$250,000 per account.
<small>This institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money. Members' accounts are not insured or guaranteed by any government or government-sponsored agency.</small>	