

# Electronic Fund Transfer Disclosure Agreement

## DISCLOSURE PURSUANT TO ELECTRONIC FUND TRANSFER LAWS

Michigan Educational Credit Union makes available to members various "electronic fund transfer" services, made possible by our advanced electronic data processing system. Some of these transfers are made by use of plastic ATM or debit cards that we issue. Other transfers are made by use of a touch-tone telephone through our Speedy Line program, a check converted into an electronic debit, through our Internet Home Banking program by use of a personal computer and modem, or through our Mobile Banking service through use of a mobile device.

If we also provide a secret personal identification number (called a "PIN") to a member, ATM cards can be used, together with the PIN, in the various automated teller machine networks to make "electronic fund transfers" to, from or between one or more of your accounts in the credit union. We issue different plastic cards that can be used in this manner, including the MECU Debit Card. In this disclosure, we call the cards simply "ATM card" because they can be used in automated teller machines. And we sometimes refer to these different automated teller machines as simply "ATMs."

To access your account through Speedy Line or Internet Home Banking for the first time, you will need to enter the last four digits of your Social Security number, along with your MECU member number. You will then be prompted to create a Personal Identification Number (PIN) for Speedy line or a password for Internet Home Banking. This PIN and/or password may be used to make "electronic fund transfers" to, from, or between one or more accounts in the credit union by following the rules and procedures of our Speedy Line and Internet Home Banking programs. You agree that you will keep your PIN and/or password secret.

To use Mobile Banking, you'll need to agree to the terms and conditions of the Mobile Banking/Remote Deposit Capture Agreement, download the proper software, and obtain sign-on credentials.

*This is a disclosure and a contract.* That is, the terms and conditions set out here are binding on you and on us to the making of such "electronic fund transfers" and the use of the ATM cards, the PINs and the passwords, in the following cases:

- If you use the account(s) covered by this disclosure after receipt of this agreement.
- If you already have an ATM card and PIN provided by us and you use them to make such transactions after receipt of this agreement.
- If you ask us to provide you with a PIN and you thereafter use it, together with an ATM card we have issued, to make such transactions.
- If you create your own PIN and you use it to make transactions through our Speedy Line program.
- If you create your own password and you use it to make transactions through Internet Home Banking.
- If we issue you sign-on credentials at your request and you use it to make transactions through Mobile Banking.

In all such cases, your use of the account(s) or your making of such transactions constitutes your acceptance of the terms and conditions set out in this disclosure.

Although your account(s) may be subject to the terms and conditions of this disclosure, you may continue to use those account(s) to the same extent and in the same manner that you have in the past insofar as "over-the-counter" and other non-electronic transactions are concerned.

In this disclosure, "you" and "your" includes the plural in

cases where two or more persons have an interest in a single account affected by an "electronic fund transfer" service. "We" or "us" refer to Michigan Educational Credit Union.

This disclosure is being furnished to all of our members. Members who have not authorized any electronic access to any of their account(s) in the credit union when they receive this disclosure need not concern themselves with it.

THE FOLLOWING SECTIONS RELATE TO ALL "ELECTRONIC FUND TRANSFERS" AFFECTING YOUR ACCOUNT(S), WHETHER MADE BY USE OF AN ATM, CONVERSION OF A CHECK INTO AN ELECTRONIC DEBIT, OUR SPEEDY LINE PROGRAM, INTERNET HOME BANKING, MOBILE BANKING OR OTHERWISE.

**1. Accounts Affected:** Each of the following types of accounts in the credit union can be subjected to some kind of "electronic fund transfer" service: Share Savings, Christmas Club Savings, Vacation Club Savings, Draft/Checking Accounts, and Loan Accounts. These type of accounts are sometimes referred to in this disclosure as "asset account(s)" or simply as your "account(s)."

As is your right, you have previously designated which of your account(s) you want to be subject to any particular type of "electronic fund transfer" service. You may change those instructions in the future, and we will follow your new directions to the extent our "electronic fund transfer" programs permit it at that time.

**2. Account Agreements:** The terms and conditions of the account agreements relating to your accounts with us remain in effect except to the extent modified by this disclosure.

**3. Minimum Balance:** You must always maintain a minimum of \$5.00 in regular shares to be entitled to make "electronic fund transfers" affecting your account(s). We reserve the right to increase minimum balance requirements or to impose other restrictions in the future, but if we do so we will give you at least 21 days advance notice.

**4. "Electronic Fund Transfer" Services:** At the present time, you can authorize the following types of "electronic fund transfers" to or from your asset account(s) in the credit union:

### Transfers TO Your Account(s) (Credits):

- Direct Deposits of payroll deductions or net pay checks from any employer who has agreed to send such deposits to us. (Contact your employer to see if Direct Deposits of payroll deductions or net pay are available.)
- Direct Deposit of various governmental benefits.
- Direct Deposit of pension payments.
- Deposit(s) or payments from any third party through the facilities of The Payments Authority (of which we are a member).
- Automatic transfers to your account(s) from the account of a person who is not a member of your immediate family.
- Transfer to your account(s) from your other asset or loan accounts that we make at your request.
- If, in connection with a Direct Deposit plan, we deposit any amount in an account which should have been returned to the Federal Government for any reason, 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.

### Transfer Payments THROUGH Your Account(s) (Debits):

- Payment of your house mortgage payment, insurance premiums and utility bills, as well as other types of payments to third parties, through the facilities of The Payments Authority.

- Automatic transfers from your account(s) to the account of another person who is not a member of your immediate family.
- Automatic transfers from your account(s) to make payments to another person's loan(s) owing to us.
- Transfers from your account(s) to your other asset or loan accounts that we make at your request or through ATMs, Speedy Line, Internet Home Banking, or Mobile Banking.
- Withdrawals from your account(s) made at your telephone request (a check will be mailed to your address on file).
- Payment for purchases from your Draft/Checking account at places that have agreed to accept your ATM card.

#### **Speedy Line Transactions:**

- Withdrawals from your Share Savings or Draft/Checking (a check will be mailed to your address on file).
- Transfers from your Share Savings to your Draft/Checking or loan accounts.
- Transfers from your Draft/Checking account to your Share Savings or loan accounts.

#### **ATM/Debit Card Transactions:**

- Use of your ATM or debit card when making a purchase from a merchant who uses the card in an electronic terminal (or cash register that is also an electronic terminal) is an "electronic fund transfer."

#### **Automated Teller Machine Transactions:**

If you have an ATM card for which we have issued a PIN, you can use any of the automated teller machine networks to make transactions as follows:

- Deposits (in Michigan only) to your Share Savings account or Draft/Checking account.
- Cash withdrawals from your Share Savings account, Draft/Checking account, Christmas Club account (CO-OP Network ATMs only), and Vacation Club account (CO-OP Network ATMs only).
- Transfers (non-cash) from your Share Savings to your Draft/Checking account, or from your Draft/Checking account to your Share Savings account.\*
- Loan advance on your Revolving Credit Signature Loan account (this transaction is available at CO-OP Network ATMs only).
- Transfers (non-cash) from your Share Savings or Draft/Checking account to your loan account(s) with us (these transactions are available at CO-OP Network ATMs only).

#### **Internet Home Banking Transactions:**

- Withdrawals from your Share Savings, Christmas Club, Vacation Club or Draft/Checking account (a check will be mailed to your address on file).
- Transfers (non-cash) from your Share Savings, Christmas Club or Vacation Club account to your Draft/Checking account, or from your Draft/Checking account to your Share Savings, Christmas Club or Vacation Club account.\*
- Transfers (non-cash) from your Share Savings, Christmas Club, Vacation Club or Draft/Checking account, to your loan account(s) with us.
- Transfers (non-cash) from your Share Savings, Christmas Club, Vacation Club or Draft/Checking account, to another member's Share Savings, Christmas Club, Vacation Club or Draft/Checking account(s) with us.

#### **Share Draft/Checking Conversion Transactions:**

- A transfer through an automated clearing house when you provide a share draft to certain merchants or other payees that enables the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, whether the share draft is blank, partially completed, or fully completed and signed; whether the share draft is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an electronic fund transfer, or whether the share draft is retained by the consumer, the merchant or other payee, or the payee's financial institution. Your authorization to make such types of electronic funds

transfers may be expressed in writing or implied, for example, by the posting of a sign.

#### **Mobile Banking Transactions\*\*:**

- Deposits to Savings/Checking Accounts (if approved for Remote Deposit Capture Service\*).
- Transfers between your accounts and accounts into which you are authorized to make deposits.
- Take loan advances on open lines of credit.\*
- Payments on Loans.

\* These transactions are NOT "electronic fund transfers."

\*\* Other terms and conditions applicable to Mobile Banking transactions are found in the Mobile Banking/Remote Deposit Capture Agreement.

You have previously told us which of these "electronic fund transfer" services you want to use. You can discontinue use of any such service whenever you want to. If you begin using a different "electronic fund transfer" service after receipt of this disclosure, we must be notified of the account(s) to be affected.

We may make additional types of "electronic fund transfer" services available in the future; we may also discontinue one or more, or all, of our "electronic fund transfer" services, but if we do that we will give you at least 21 days advance notice in writing.

**5. Excluded Transactions:** The terms and conditions of this disclosure only apply to those services and transfers which are "electronic fund transfers" as described in section 4; they do not apply to other transactions which, although electronic in nature, do not constitute "electronic fund transfers" described in that section.

**6. Fees for "Electronic Fund Transfers":** You can enjoy unlimited use of your ATM card at ATMs that are owned by Michigan Educational Credit Union. If the ATM is not owned by Michigan Educational Credit Union you are allowed 4 free withdrawals each month, after which you will be charged a fee for each withdrawal (see Fee Schedule). We reserve the right to impose charges for the making of "electronic fund transfers" as described in Section 4 and/or to thereafter increase such charges if we deem it necessary. We will give you at least 21 days advance written notice before imposing or increasing any such charge.

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 the fund transfer.

**7. Limitations on "Electronic Fund Transfers":** We describe the types of electronic fund transfers you can make through our various Electronic Funds Transfer Services in Section 4 above. With respect to certain accounts, there are limitations as to how many automatic transfers you are allowed to make to third parties (i.e. mortgage payments or insurance premiums). No more than six (6) such transfers may be made from these accounts during any single statement period. Please refer to your account agreement to determine if this account limitation applies. Aside from that limitation, and as to transactions other than those made at an ATM, there are, at the present time, no limitations as to how often you can make "electronic fund transfers," nor is there any restriction as to the dollar amount of any one "electronic fund transfer." We reserve the right to impose any such restrictions in the future as we deem reasonable, but we will give you at least 21 days advance written notice.

Please refer to Section 21 for limitations that apply to ATM transactions.

#### **8. Documentation of Transfers:**

- You can get a transaction receipt at the time you make any transfer to or from or between your account(s) using an ATM.
- If you have arranged to have Direct Deposits (which are "electronic fund transfers" as described in Section 4) made

to your asset account(s) at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can call us at (734) 455-9200 to find out whether the deposit has been made.

C. You will get a statement every month if you have authorized any "electronic fund transfer" service described in Section 4.

D. Periodic statements we send you on accounts which are subject to "electronic fund transfers" described in Section 4 and transaction receipts issued by an ATM are admissible evidence.

E. Your right to documentation as set forth in subsections A and C of this section does not apply when the electronic fund transfer occurs outside of the United States.

**9. Stopping Payment of Transfers From Your Account(s):** The following rules apply only to "electronic fund transfers" as described in Section 4 of this disclosure.

If you have arranged for regular automatic payments out of your account, you can stop any of these payments. Here's how:

Call us at: (734) 455-9200

OR

Write us at: Michigan Educational Credit Union  
Attn: Accounting Department  
9200 Haggerty Road  
Plymouth, MI 48170

in time for us to receive your request three (3) "business days" or more before the payment is scheduled to be made. If you call, you will be required to put your request in writing and get it to us within 14 days after you call.

There is a fee for each stop payment order (see Fee Schedule). We reserve the right to impose a reasonable charge, or to increase such charges, in the future, but if we do that we will give you at least 21 days advance notice. 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 your 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; if so, you must make the necessary arrangements with the person you are going to pay.

If you order us to stop one of these payments three (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. In Section 13 of this disclosure, we will tell you what our "business days" are.

**10. Disclosure of Information to Third Parties:** In the ordinary course of business, we will only disclose information concerning your account(s) or "electronic fund transfer" described in Section 4 affecting your account(s):

- A. As provided by law, or
- B. With your written consent, or
- C. To furnish credit information under the federal "Fair Credit Reporting Act," or
- D. If necessary to verify or complete "electronic fund transfer," or
- E. To verify the existence of your account(s), or
- F. If the information relates to improper use of your account(s).

**11. In Case of Error or Questions About Your "Electronic Fund Transfers" as Described in Section 4,** call or write us at the telephone number or address set forth in section 9 as soon as you can, if you think your statement (which will include Speedy Line, share draft/check conversions, Internet Home Banking, and Mobile Banking transactions) 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:

- A. Tell us your name and account number, and

B. 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, and

C. 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 ten (10) "business days." In Section 13 of this agreement, we list our "business days."

We will tell you the results of our investigation within 10 "business days" (if you give us notice of an error within 30 days after you make the first deposit into your account, we will have 20 days instead of 10) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (if you give notice of an error within 30 days of opening an account, notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside of the U.S., its possessions and territories, we will have 90 days instead of 45) to investigate your complaint or questions. If we decide to do this, we will recredit your account within 10 "business days" (if you give us notice of an error within 30 days after you make the first deposit into your account, we will have 20 days instead of 10) 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 questions in writing and we do not receive it within 10 "business days," we may not recredit your account.

If we decide that there was no error, we will send you a written explanation within three (3) "business days" after we finish our investigation.

You may ask us for copies of the documents that we use in our investigation and we will furnish them to you. We may, in such cases, require payment of a nominal charge for such copies.

**12. Liability for Failure to Make "Electronic Fund Transfer":**

If we do not complete an "electronic fund transfer," as described in Section 4, to or from your account(s) on time or in the correct amount according to our agreements with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money available in your account to make the transfer.
- If there is not enough money in your account, in excess of amounts you have specifically pledged to us as collateral, to make the transfer.
- If funds in your account are subject to garnishment or other legal process which prevents the making of the transfer.
- If we have, because of your default, exercised our rights against the funds in your account pursuant to a pledge of those funds you gave us.
- If the transfer would go over the credit limit on your overdraft line.
- If the ATM where you are making the transaction does not have enough cash.
- If you use or try to use your ATM card or your PIN after your right to use it has been cancelled.
- If circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken.
- We will also be excused from such liability if you fail to observe the terms and conditions of this agreement, our Speedy Line program, our Internet Home Banking program, our Mobile Banking program, or our account agreements with you, as they relate to "electronic fund transfers."

**13. Business Days:** Every day is a business day except Saturdays, Sundays and holidays. See our website for a complete list of holiday closings.

**14. Regulatory Agency:** If you believe that we may have violated the Michigan law regulating "electronic fund transfer" (Michigan Public Act No. 322 of 1978) you may contact:

**15. Amendments Termination:** We reserve the right to amend this disclosure (agreement) in any manner and at any time. If we do so, we will give you such advance notice thereof as we deem to be reasonable under the circumstances; however, in the specific cases mentioned earlier, we will give you at least 21 days advance written notice. We also reserve the right to terminate this disclosure (agreement) by sending a notice of such termination by first-class mail to your last known address on our records, which notice shall be effective when mailed.

**16. Termination of Prior Agreements:** This disclosure terminates and takes the place of any "Automated Teller Machine Agreement" or "Disclosure Pursuant to Electronic Fund Transfer Laws" we have previously furnished to you 21 days after we mail it to you.

**17. Except as provided in paragraph 16, the effective date of this disclosure (agreement) is December 1, 2012.**

**18. Location of ATM Machines:** The number and locations of the automated teller machines is subject to change at any time. If you have an ATM card for which we have issued a PIN, we will keep you informed of their location from time to time.

**19. Card Ownership:** All ATM cards and PINs we provide are the property of the credit union. If this agreement is terminated, you agree to surrender the card to us.

**20. Secrecy of PIN:** If we have issued a PIN to you or Mobile Banking sign-on credential(s), or if you have selected your own Speedy Line PIN or Internet Home Banking password, you agree to keep your PIN/password secret and you also agree that you will not write the PIN on your ATM card nor any item you keep with your card.

**21. Limitations of "Electronic Fund Transfer":** There is no limitation on the number or dollar amount of deposit or payment transaction or transfers between accounts you may make at an automated teller machine during its 24-hour operating cycle. To protect against possible losses, however, there are limitations on how much cash you can obtain from the machines during a single cycle.

Regardless of the number of cards we may issue to you, your ATM card will only allow you to withdraw up to \$500 cash from the ATMs during the portion of a cycle that they are "on-line" to our computer, but, of course, not in excess of the verified balance in the account(s); at other times, your card will only allow you to withdraw up to \$100 cash during a cycle, reduced by the amount of any cash withdrawn during the "on-line" part of that cycle. The ATMs dispense cash in differing multiples and minimum amounts depending on the brand of the machine.

In cases where an ATM card has been authorized for obtaining cash advances from ATMs or on a loan account the maximums mentioned above include such cash advances.

We reserve the right to change these limitations on use of the machines and we will give you written notice of any such change at least 21 days in advance.

You have the right to require us to program our system so that no more than \$50.00 cash may be obtained by use of an ATM card during a single day. Please contact us if you want this option.

**22. Responsibility for Overdraft:** If you obtain cash from an ATM which creates an overdraft in your Share Savings account, the overdraft amount is due and payable the moment you get it and you agree to pay the full amount of it to us, together with an overdraft fee (see Fee Schedule); you also authorize us, in such a case, to apply from any other shares you may have in the credit union such amount as may be

necessary to pay such overdraft amount. If the overdraft is created in your checking account, (1) a transfer will be made from your other share account(s) to cover the overdraft, in accordance with your Draft/Checking account agreement with us, or (2) an advance on your line-of-credit loan account with us will be made to cover the overdraft and you will repay that advance in accordance with the terms and conditions of your line-of-credit plan, but if there are not sufficient funds to make a transfer according to (1) or (2) of this sentence, or if you have no overdraft protection for your Draft/Checking account, then such overdraft will be paid to us as provided in the first sentence of this section.

**23. Crediting of Deposits and Payments:** Deposits or payments made in an ATM, whether in cash, check, or money order, are subject to verification and the posting of such deposits and payments to Share Savings, Draft/Checking or loan accounts may be delayed until they can be collected from the machine, verified, and entered into our accounting system. Further, delay may occur if the transaction is made on or immediately prior to a Saturday, Sunday, or holiday on which we are closed. If you place a check or money order in the machine as a deposit or payment, it is subject to collection in accordance with your account agreement with us and our Funds Availability Policy as was disclosed to you upon opening your account and as may have since been amended.

**24. Consumer Liability for Unauthorized Use:** If you furnish another person with your ATM card and PIN, Speedy Line PIN, check book, Internet Home Banking password, or Mobile Banking sign-on credential(s), you will be responsible for all "electronic fund transfers" initiated by that person. Your responsibility pertains to transfers from which you may receive no benefit, and applies even though that person may not have actual authority to initiate a transfer or transfers an amount in excess of that which is authorized. Your responsibility for such transfers remains until you have notified us in writing that the person is no longer authorized to initiate transfers. Until you have notified us in writing, you will be liable for all transfers initiated by that person.

Tell us AT ONCE if you believe your ATM card, Speedy Line PIN, check book, Internet Home Banking password, or Mobile Banking sign-on credential(s) have been lost or stolen. Calling 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 two business days, you can lose no more than \$50.00 if someone used your card without your permission.

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

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

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

If you believe your ATM card or PIN has been lost or stolen or that someone has transferred money from your account without your permission, or may be about to do so, call or write us at the telephone number or address as provided in Section 9 IMMEDIATELY!!!

**25. Special Liability Rule for MECU Debit Card:** You will not be liable for any unauthorized transactions using your MECU debit card if: (a) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of theft, (b) you have not reported to us two or more incidents of unauthorized use within the prior twelve month

period, and (c) you are a member in good standing. If any of these conditions are not met, this Special Liability Rule does not apply, and your liability for the unauthorized use of your MECU debit card is addressed above in Section 24.

“Unauthorized Use” means the use of your MECU debit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. This additional limitation on liability does not apply to PIN-based transactions, or transactions not processed by MasterCard.

**26. Currency Conversion:** If you effect a transaction with your MasterCard debit card in a currency other than U.S. Dollars, MasterCard International, Incorporated will convert the transaction amount into a U.S. Dollar amount. MasterCard International, Incorporated will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard cards. Currently the conversion rate used by MasterCard International, Incorporated to determine the transaction amount in U.S. Dollars for such transactions is generally either a governmental mandated rate or wholesale rate determined by MasterCard International, Incorporated. The currency conversion rate used by MasterCard International, Incorporated on the processing date may differ from the rate that would be used on the purchase date or cardholder statement posting date.

**27. Reversing Electronic Fund Transfers:** If an electronic fund transfer described in section 4 was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse such transfer and to re-credit your account with the full amount of the transfer if: (a) you tell us within four (4) calendar days of the date of the transfer, to make such reversal, (b) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (c) you assure us that any returnable goods involved in the dispute will be returned. If you do these things in writing, you **MUST** send the letter to:

Michigan Educational Credit Union  
Attn: Accounting Department  
9200 Haggerty Road  
Plymouth, MI 48170

If you phone us, you **MUST** call us at: (734) 455-9200

If you tell us orally that you want such a transfer reversal, you must send us a letter to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. This letter must be received by us within fourteen (14) calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests.