



TABLE OF CONTENTS

MEMBERSHIP AND ACCOUNT AGREEMENT	2		
1. Membership Eligibility	2		
2. Important Information about Procedures for Opening a New Account.....	2		
3. Single Party Accounts.....	2		
4. Multiple Party Accounts	2		
5. Accounts with Beneficiary Designation.....	3		
6. Trust Accounts	3		
7. Accounts for Minors.....	3		
8. Uniform Transfer to Minors Act	3		
9. Agency Designation on an Account.....	3		
10. Deposit of Funds Requirements.....	3		
11. Account Access	4		
12. Account Fees.....	4		
13. Foreign Transactions	4		
14. Transaction Limitations.....	4		
15. Certificate Accounts	4		
16. Your Liability for Overdrafts.....	4		
17. Postdated and Stale Dated Checks	9		
18. Stop Payment Orders	9		
19. Credit Union Liability	9		
20. Credit Union Lien and Security Interest	9		
21. Legal Process	9		
22. Account Information	9		
23. Notices	9		
24. TIN and Backup Withholding.....	10		
25. Statements	10		
26. Cooperation in Loss Recovery Efforts.....	10		
27. Inactive Accounts	10		
28. Special Account Instructions	10		
29. Termination of Account.....	10		
30. Termination of Membership	10		
31. Death of Account Owner	10		
32. Severability	10		
33. Enforcement	10		
34. Governing Law.....	11		
35. Waivers	11		
36. Section Headings.....	11		
37. Security	11		
38. Telephone Monitoring and Calling.....	11		
39. Permitted Time for Filing a Lawsuit or Arbitration	11		
40. Binding Arbitration or Class Action Waiver.....	11		
FUNDS AVAILABILITY POLICY	12		
1. Same Day Availability	12		
2. Delayed Availability	12		
3. Holds on Other Funds.....	13		
4. Longer Delays May Apply.....	13		
5. Special Rules for New Accounts.....	13		
6. Deposits at ATMs.....	13		
7. Foreign Checks	13		
ELECTRONIC FUNDS TRANSFER AGREEMENT	13		
1. Types of Services	13		
Accounts Affected			
Automated Clearing House Transfer Services			
Electronic Fund Transfer Services			
ATM Transactions			
Your Option to Limit Cash Withdrawals			
Notice Regarding ATM Fees By Others			
Point of Sale Transactions			
Telephone Audio Response Services/PC Access			
Excluded Transactions			
2. Service Limitations	14		
Minimum Balance			
Limitation on Number of Transactions			
Limitation on Dollar Amounts of ATM and Point of Sale Transfers			
3. Rights and Responsibilities	15		
Notification of Regulatory Authorities			
Electronic Funds Transfer (VISA Debit) Card			
Documentation of Transfers			
Your Right to Stop Payment of Preauthorized Transfers			
Notice of Varying Amounts			
Liability for Failure to Stop Payment Preauthorized Transfer			
In Case of Errors or Questions about Your Electronic Funds Transfers			
			Clearing of Deposits
			Crediting Payments
			Responsibility for Overdraft
			Notice of Loss or Theft
			Special Liability Protection Rules for VISA Debit Card
			Consumer Liability
			Cooperation in Loss Recovery Efforts
			Reversal of Transaction
			Disclosure of Account Information to Third Parties
			Liability for Failure to Complete EFT Transfers
			Amendments
			Termination of Prior Agreements
TRUTH-IN-SAVINGS ACT DISCLOSURES	16		
1. Membership Share	17		
Dividends			
Compounding and Crediting			
Minimum Balance Requirements			
Balance Computation Method			
Dividend Accrual on Deposits			
Fees and Charges			
2. Individual Retirement Account.....	17		
Interest			
Compounding and Crediting			
Minimum Balance Requirements			
Balance Computation Method			
Interest Accrual on Deposits			
Fees and Charges			
Transaction Limitations			
3. Health Savings Account (HSA).....	17		
Interest			
Compounding and Crediting			
Minimum Balance Requirements			
Balance Computation Method			
Interest Accrual on Deposits			
Fees and Charges			
Transaction Limitations			
Contributions and Distribution			
4. Silver and Gold Savings	17		
Interest			
Compounding and Crediting			
Minimum Balance Requirements			
Balance Computation Method			
Interest Accrual on Deposits			
Fees and Charges			
5. Holiday Club Account.....	18		
Interest			
Compounding and Crediting			
Minimum Balance Requirements			
Balance Computation Method			
Interest Accrual on Deposits			
Fees and Charges			
Transaction Limitations			
6. Money Market Checking.....	18		
Interest			
Compounding and Crediting			
Minimum Balance Requirements			
Balance Computation Method			
Interest Accrual on Deposits			
Fees and Charges			
Transaction Limitations			
7. Checking Account.....	18		
Interest			
Balance Information			
Fees and Charges			
8. Fresh Start Checking Account.....	18		
Interest			
Balance Information			
Fees and Charges			
Transaction Limitations			
9. Achieve Student Debit Account.....	18		
Interest			
Balance Information			
Fees and Charges			
Transaction Limitations			
PRIVACY POLICY	20		

MEMBERSHIP AND ACCOUNT AGREEMENT

This agreement ("Agreement") covers your and our rights and responsibilities concerning accounts that Michigan Schools and Government Credit Union ("MSGCU" or "Credit Union") offers. In this Agreement, the words "your" and "yours" mean anyone who signs a MSGCU Membership Account Card. The words "we," "us" and "our" mean the Credit Union. The word "account" means any one or more share or other accounts you have with the Credit Union. By establishing an account with the Credit Union, you agree that this Agreement is a binding contract between you and the Credit Union. The words "Checking Account" refer to all of our various types of checking accounts except where the context would indicate otherwise.

Your account type(s) and ownership features are designated on your Membership Account Card. By signing an Account Card, each of you, jointly and severally, agree to the terms and conditions in this Agreement, the Membership Account Card, the Fee Schedule, any account receipt accompanying this Agreement, the Credit Union's bylaws and policies and any amendments to these documents from time to time which collectively govern your membership and accounts.

You should retain a copy of this Agreement and feel free to contact us if you have any questions. This Agreement also includes certain disclosures required under the Truth in Savings Act, National Credit Union Administration regulations, the Electronic Funds Transfer Act (CFPB Regulation E), and the Expedited Funds Availability Act (Federal Reserve Board Regulation CC), and Privacy Notice. It also includes your EFT Agreement and Disclosure. By signing a Membership Account Card, you acknowledge receipt of these disclosures, including separate documents, which are incorporated within them by reference.

You agree to check all records related to your account periodically (not less than once per year) to ensure that all ownership and beneficiary arrangements are set up in the way that you desire. You agree to contact the credit union immediately if any ownership or beneficiary arrangement is not how you wish it to be. You further agree to hold the credit union harmless from any claims that any ownership or beneficiary arrangement related to your account is not set up as you desire.

NOTICE OF ARBITRATION PROVISION

This Agreement contains an Arbitration Provision which provides that you or the Credit Union may elect to have all disputes resolved by **BINDING ARBITRATION INSTEAD OF IN COURT.**

You should read the Arbitration Provision carefully. It provides, among other terms:

You **GIVE UP YOUR RIGHT TO GO TO COURT** to assert or defend your rights under this Agreement (**EXCEPT** for matters that may be taken to **SMALL CLAIMS COURT**).

Your rights will be determined by a **NEUTRAL ARBITRATOR** and **NOT** a judge or jury.

You are entitled to a **FAIR HEARING**, BUT the arbitration procedures are **SIMPLER AND MORE LIMITED THAN RULES APPLICABLE IN COURT.**

Arbitrator decisions are as enforceable as any court order and are subject to **VERY LIMITED REVIEW BY A COURT.**

**YOU MAY NOT PARTICIPATE AS A CLASS REPRESENTATIVE
OR MEMBER IN ARBITRATION OR IN ANY OTHER CONSOLIDATED PROCEEDING.**

1. Membership Eligibility: To join the Credit Union, you must meet the membership requirements including purchase and maintenance of at least one (1) share ("membership share") as set forth in the Credit Union's Bylaws. You authorize us to check your account, credit and employment history and to obtain reports from third parties, including consumer (credit) reporting agencies, to verify your eligibility for the accounts and services you request as allowable by the Fair Credit Reporting Act.

2. Important Information about Procedures for Opening a New Account:

a. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Federal law also requires all financial institutions to obtain, verify, and record information that identifies beneficial owners and controlling persons for legal entity accounts. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see and retain images of any identification used to open or apply for products and services at the Credit Union.

b. In accordance with Federal regulations, MSGCU will not permit its members to use Credit Union accounts for the purpose of illegal Internet gambling or any illegal activities in general. Attempted transactions in violation of this provision may be blocked, and repeated attempts may result in account closure.

3. Single Party Accounts: A single party account is an account owned by one member (individual, trust, or other organization) qualified for Credit Union membership. If the account owner dies, the interest passes, subject to applicable law, to the decedent's estate or the Beneficiary(ies) designated for the account, subject to other provisions of this Agreement governing our protection for honoring transfer and withdrawal requests of an owner or owner's agent prior to notice of an owner's death.

4. Multiple Party Accounts: An account owned by two or more persons is a multiple party account. All such accounts will have one Primary Owner and at least one Joint Owner. The Primary Owner is the individual (i) whose membership is linked to the account number for the account, (ii) whose social security number is listed on the account for tax reporting purposes, and (iii) who has the related rights of membership, such as the right to vote. A Joint Owner is any other owner except for the Primary Owner and is not deemed to be a member of the Credit Union by virtue of the account for which he/she may be a Joint Owner. A Joint Owner, if eligible to join the Credit Union, may do so by opening another account on which he or she is the sole or Primary Owner.

a. Rights of Survivorship: Unless otherwise stated on the Account Card, a multiple party account includes rights of survivorship. This means when one owner dies, all sums in the account will pass to the surviving owner(s). For a multiple party account without rights of survivorship, the deceased owner's interest passes to his or her estate. Any owner who is a surviving owner agrees that the Credit Union to the extent allowed by law may set off any money in the account against any obligation of a deceased owner within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts). All owners who are surviving owners also agree that their interests in the account are subject to any security interest or pledge granted by a deceased owner, even if they individually did not consent to it. If the Primary Owner dies leaving one or more Joint Owner(s); the Joint Owner(s) (and the estate of the Primary Owner if the account does not have rights of survivorship) must close the account no later than the end of the first full dividend or interest period that begins after the death of the Primary Owner.

b. Control of Multiple Party Accounts: Any owner is authorized and deemed to act for any other owner(s) and may instruct us regarding transactions and other account matters. Each owner guarantees the signature of any other owner(s). Any owner may withdraw all funds, stop payment on items, transfer or pledge to us all or any part of the funds in the account without the consent of the other owner(s). No owner may restrict the withdrawal rights of any other owner. Any owner with the consent of the Credit Union may add new Joint Owners and remove owners except that no Joint Owner may remove the Primary Owner. Any owner may remove himself/herself from the account at any time; however such removal will not relieve such an owner from any liability for which such owner had with respect to the account immediately prior to the removal. We have

no duty to notify any owner(s) about any transaction. We reserve the right to require written consent of all owners for any change to or termination of an account. If we receive written notice of a dispute between owners or inconsistent instructions from them, we may suspend or terminate the account and require a court order or written consent from all owners to act.

Anyone who has remote account access (e.g., at an Automated Teller Machine or through online, mobile or phone banking) information to your account will have access to ALL subaccounts regardless of the ownership of the subaccounts.

c. Multiple Party Account Owner Liability: If a deposited item in a multiple party account is returned unpaid, an account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us for the amount of the returned item, overdraft or unpaid amount and any charges, regardless of who initiated or benefited from the transaction. If any account owner is indebted to us, we may enforce our rights against any account of an owner or all funds in the multiple party account regardless of who contributed them.

5. Accounts with Beneficiary Designation: If you have listed any beneficiaries on an Account Card, upon the death of the owner, or the last surviving owner if there is more than one, the funds in the account shall become the property of any beneficiary(ies) living at the time. Any owner may, with the Credit Union's consent, add or remove beneficiaries of the account.

If no beneficiaries are living at the time of the death of the last owner, the funds become the property of the estate of the account owner last surviving. The Credit Union makes no representation as to whether the use of the beneficiary designation is appropriate for any person establishing such an account. Once the owner (or the last owner if there is more than one) has died, the Credit Union is entitled to pay funds in an account as provided herein to any person designated as a beneficiary on the account and shall not be liable to the person(s) establishing the account, their heirs, representatives, or any other person by reason of such payment as long as the Credit Union has taken reasonable steps to identify the beneficiary receiving payment. If there is more than one beneficiary, each beneficiary shall have the power to withdraw only that beneficiary's share together with any accumulations on that amount. This Agreement's provisions on survivorship and joint control shall not apply to the ownership interest of the beneficiaries. No beneficiary shall have the right to change the terms and conditions of the account. The interests of the beneficiary (ies) is subject to the right of the Credit Union, to the extent allowed by law, to set off any money in the account against any obligation of the deceased owner (or the last owner to die, if there was more than one) within thirty days after the Credit Union becomes aware of the deceased owner's death unless such a setoff would not have been allowed during the deceased individual's lifetime (such as would be the case with certain tax favored accounts).

6. Trust Accounts: An account owned by and titled in the name of a trust is a trust account.

a. Control of Trust Accounts: All sums paid to the Credit Union on savings or deposits (less setoff allowed by law and/or provided for by contract) shall be paid on proper withdrawal demand. Such demand must be made by at least one of the Trustees. The Credit Union has no obligation to follow the application of funds withdrawn from the account.

b. Trust Document Provisions: The Credit union will act in accordance with the terms and conditions of the most recent information presented to the Credit Union regarding the provisions of the trust document. Furthermore, the Credit Union is not bound by any changes to the trust document of which it has not received written notice.

c. Multiple Trustees: If there is more than one Trustee, the Credit Union is hereby authorized to recognize any of the signatures on the Account Card in the payment of funds of the transaction of any business for the account. The Trustees of the account agree with each other and the Credit Union that all sums paid into the account at any time by any or all of said Trustees with all accumulations on such sums are and shall be subject to the withdrawal or receipt of any of them, and payment to any of them shall be valid and discharge the Credit Union from any liability for such payment.

d. Notice to Change Authority: The Authority of the Credit Union shall not be changed or terminated by any of said trustees, jointly or single, except by written notice to the Credit Union. Such written notice to the Credit Union shall not affect transactions made prior to the time such notice is received by the Credit Union.

7. Accounts for Minors: We may require any account established by a minor as the Primary Owner to be a multiple party account with a Joint Owner who has reached the age of majority under Michigan law and who shall be jointly and severally liable to us for any returned item, overdraft or unpaid charges or amounts on such account. We may pay funds directly to the minor without regard to his or her minority. Unless a guardian or parent is an account owner, the guardian or parent shall not have any account access rights. We have no duty to inquire about the use or purpose of any transaction. We will not change the account status when the minor reaches the age of majority, unless authorized in writing by all account owners.

8. Uniform Transfer to Minors Act: A Uniform Transfer to Minors Act (UTMA) is an individual account created by a custodian who deposits funds as an irrevocable gift to a minor. The minor to whom the gift is made is the Beneficiary of the custodial property in the account. The custodian has possession and control of the account for the exclusive right and benefit of the minor and, barring a court order otherwise, is the only party entitled to make deposits, withdrawals or close the account until the minor reaches the age of 18 or other age as designated on the document establishing the account. Upon the minor reaching that age, the minor shall have sole control of the account. We have no duty to inquire about the use or purpose of any transaction. If the custodian dies, we may suspend the account until we receive instructions from any person authorized by law to withdraw funds or a court order authorizing withdrawal.

9. Agency Designation on an Account: An agency designation on an account is an instruction to us that the owner authorizes another person to make transactions as agent for the account owner regarding the accounts designated. An agent has no ownership interest in the account(s) or Credit Union voting rights. We have no duty to inquire about the use or purpose of any transaction made by the agent. The Credit Union may refuse to honor any agency designation done by you, whether done by a power of attorney or otherwise. If an individual ceases to be an owner of the account, any Agency Designation made by that individual shall immediately cease to be effective.

10. Deposit of Funds Requirements: Funds may be deposited to any account, in any manner approved by the Credit Union, in accordance with the requirements set forth in the account agreement.

a. Endorsements: We may accept transfers, checks, and other items for deposit into any of your accounts if they are made payable to, or to the order of, one or more account owners, even if they are not endorsed by all payees. You authorize us to supply missing endorsements of any owners if we choose. If a check, or item that is payable to two or more persons is ambiguous as to whether it is payable to either or all, we may process the check, or item as though it is payable to any person named as a payee. If an insurance, government, or other check requires an endorsement as set forth on the back of the check, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check within 1-1/2 inches from the top edge, although we may accept endorsements outside this space. However, any loss we incur from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility.

b. Collection of Items: We act only as your agent and we are not responsible for handling items for deposit or collection beyond the exercise of ordinary care. Deposits made by mail or at non-staffed facilities are not our responsibility until we receive them. We are not liable for the negligence of any correspondent or for loss in transit, and each correspondent will only be liable for its own negligence. We may send any item for collection. Items drawn on an institution located outside the United States are handled on a collection basis only. You waive any notice of nonpayment, dishonor or protest regarding items we purchase or receive for credit or collection to your account.

c. Final Payment: All items or Automated Clearing House (ACH) transfers credited to your account are provisional until we receive final payment. If final payment is not received, we may charge your account for the amount of such items or ACH transfers and impose a return item charge on your account. Any collection fees we incur may be charged to your account. We reserve the right to refuse or return any item or funds transfer.

d. Direct Deposit: We may offer preauthorized deposits (e.g., payroll checks, Social Security or retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize each direct deposit or preauthorized transfer by filling out a separate form. You must notify us at least thirty (30) days in advance to cancel or change a direct deposit or transfer option. Upon bankruptcy filing, unless you cancel an authorization, we will continue making direct deposits in accordance with your authorization on file with us. If we are required to reimburse the U.S. Government for any benefit payment directly deposited into your account, we may deduct the amount returned from any of your accounts, unless prohibited by law.

e. Crediting of Deposits: Deposits made after the deposit cutoff time and deposits made on either holidays or days that are not our business days will generally be credited to your account on the next business day. Please see the Funds Availability Policy Disclosure for important information on the availability of your deposits.

11. Account Access:

a. Authorized Signature: Your signature on the Account Card authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the signature is not genuine. If you have authorized the use of a facsimile signature, we may honor any check that appears to bear your facsimile signature, even if it was made by an unauthorized person. You authorize us to honor transactions initiated by a third person to whom you have given your account number other than through physical delivery of a paper check even if you do not authorize a particular transaction.

b. Access Options: You may withdraw or transfer funds from your account(s) in any manner we permit (e.g., at an Automated Teller Machine, in person, by mail, automatic transfer or telephone, as applicable). The Credit Union may require that any, check, or other item you use in connection with a withdrawal be on forms approved (approval shall not be unreasonably withheld) by the Credit Union. Information concerning the requirements for approval may be obtained at the Credit Union's office upon request. If you use forms that do not meet these standards, the Credit Union is not liable if the failure to meet these standards causes a processing delay or return of the item, and you agree to reimburse the credit Union related to use of forms that do not meet the required conditions. An example of a form that does not meet the Credit Union's requirements is a check with a carbon strip on the back. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We are under no obligation to honor any power of attorney. You agree that we may refuse to pay a check you write if it is presented at our offices by a person (other than a bank, clearing house, or governmental unit) who is not a member unless the presenter pays us the Non-Member Check Cashing Fee set forth in our Fee Schedule.

c. ACH & Wire Transfers: If we provide the service, you may initiate or receive credits or debits to your account through wire or ACH transfer. You agree that if you receive funds by a wire or ACH transfer, we are not required to notify you at the time the funds are received. Instead, the transfer will be shown on your periodic statement. We may provisionally credit your account for an ACH transfer before we receive final settlement. We may reverse the provisional credit or you will refund us the amount if we do not receive final settlement. When you initiate a wire transfer, you may identify either the recipient or any financial institution by name and by account or identifying number. The Credit Union (and other institutions) may rely on the account or other identifying number as the proper identification, even if it identifies a different party or institution.

d. Credit Union Examination: We may disregard information on any check other than the signature of the drawer or the amount and any magnetic encoding. You agree we do not fail to exercise ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

e. Sequence of Posting Transactions: Subject to applicable law, we may post transactions to an account in any order we choose. Check withdrawals are generally posted based on check numerical order (from lowest to highest). ACH deposits and withdrawals are generally posted in the order in which they are received. ATM, Teller and Debit Pin transactions are generally posted in real time. Transactions performed in person such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed. The Credit Union reserves the right to change its procedure at any time.

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

12. Account Fees: We assess fees against your account as set forth in the Fee Schedule. We may change the Fee Schedule at any time and will notify you as required by law.

13. Foreign Transactions: A foreign transaction is any transaction that you complete, or a merchant completes on your card outside of the United States. Transactions completed by merchants outside of the United States are considered foreign transactions, regardless of whether you are located inside or outside the United States at the time of the transaction. A fee, calculated in U.S. Dollars, as detailed in the Fee Schedule, will be imposed on all foreign transactions, including purchases, cash withdrawals and credits to your account on all transactions where the merchant country differs from the country of the card issuer. The converted transaction amount will be shown separately from the International Transaction Fee on your billing statement.

The exchange rate for transactions in a foreign currency will be a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate VISA itself receives, or the government mandated rate in effect for the applicable central processing date plus an International Transaction Fee.

14. Transaction Limitations:

a. Withdrawal Restrictions: We permit withdrawals only if your account has sufficient available funds to cover the full amount of the withdrawal or you have established an overdraft protection plan. Checks or other transfer or payment orders that are drawn against insufficient available funds may be subject to service charges as set forth in the Fee Schedule, and as is more fully described in Section 16 below. If there are sufficient funds to cover some but not all of your withdrawal, we may allow those withdrawals for which there are sufficient available funds in any order at our discretion.

We may refuse to allow a withdrawal in some situations and will advise you accordingly, for example: (1) a dispute between account owners (unless a court has ordered the Credit Union to allow the withdrawal); (2) a legal garnishment or attachment is served; (3) the account secures any obligation to us; (4) required documentation has not been presented; or (5) you fail to repay a Credit Union loan on time. We may require you to give written notice of seven (7) days to sixty (60) days before any intended withdrawals.

b. All accounts are non-assignable and non-transferable to third parties unless the credit union consents in writing.

c. Third Party Pledges: Neither any account covered by this Agreement nor the funds in any such account may be pledged to any third party without our prior written consent.

15. Certificate Accounts: Any time deposit, term share, share certificate or certificate of deposit account allowed by state law (Certificate Account), whichever we offer, is subject to the terms of this Agreement, the Rate and Fee Schedules and Account Deposit Receipt for each account the terms of which are incorporated herein by reference unless the documentation for such an account indicates that it is a free-standing account governed solely by such documentation.

16. Your Liability for Overdrafts:

PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU DO NOT UNDERSTAND ANY PROVISION IN THIS "YOUR LIABILITY FOR OVERDRAFTS" SECTION, OR IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (586) 263-8800 or (866) 674-2848 OR VISIT YOUR LOCAL BRANCH.

a. General:

1. What Does it Mean to Overdraw Your Account? “Overdrawing” your account means that there are not **sufficient available funds** (as described in Section B below) in your account to pay for a transaction, resulting in a negative or “overdrawn” balance. Some transactions that can result in an overdraft in your account include, but are not limited to:

- the payment of checks, electronic fund transfers, telephone-initiated transactions, preauthorized payments under our Bill Payment Service, debit card transactions, or other withdrawal requests authorized by you;
- the return of items deposited by you;
- the assessment of service charges by us; or
- the deposit of items that are treated as not yet “available” according to our Funds Availability Policy.

2. What Happens if the Credit Union Refuses to Pay the Item? If you overdraw your account, we may return the item unpaid, commonly known as a return for “non-sufficient funds” or “NSF”. It is important to understand that the Credit Union has no control over how many times an intended payee will resubmit an item to us for payment. When we return an item unpaid, we will assess you an NSF Fee **each time the item is presented** to us for payment. There is no limit on the number of NSF Fees we may assess against your account. NSF items are described in more detail in Section D.

3. What Happens if the Credit Union Pays the Item? If you overdraw your account and we pay the item, we may do so in one of two ways:

- through standard overdraft practices that come with your account, which we call “Courtesy Pay”; or
- through an overdraft protection plan, which we call “Overdraft Transfer Protection Service”

You can elect to decline either of these services at any time, which may result in your transactions being declined for non-sufficient funds if the available balance in your account is insufficient to pay for your transaction.

The Credit Union also offers an overdraft line of credit for qualifying members. Your Liability for Overdrafts Section describes only our Courtesy Pay and Overdraft Transfer Protection Services. If you have questions regarding applying for an overdraft line of credit, please contact the Credit Union for additional information.

4. Your Obligation to Keep Records of Your Transactions. While we provide Courtesy Pay and the Overdraft Transfer Protection Service for your convenience and as a way to help you avoid overdrafts, NSF transactions, and associated fees, you are responsible for keeping track of the funds in your account that are **available** for you to use before you write a check, preauthorize a payment under our Bill Payment service, authorize an ACH transaction, make a cash withdrawal at an ATM, or use your debit card for a transaction. Among other things, you should keep a running balance that reflects all of your transactions.

It is imperative that you keep track of the transactions you may have authorized (such as outstanding checks or automatic bill payments), as your available balance (discussed in more detail below) may not reflect these transactions until they are paid from your account.

b. Your Available Balance:

1. Actual Balance Versus Available Balance. Your checking account has two kinds of balances: the “actual” balance and the “available” balance. Both can be checked when you review your account online, at a Credit Union-owned ATM, by phone, or at a branch. It is important to understand how these two balances work so that you know how much money is **available to you** in your account at any given time. This section explains actual and available balances and how they work.

2. Your “Actual Balance”. Your “actual” balance is the amount of money that is actually in your account at any given time, but not all funds included in the actual balance are considered “available” for transactions on your account. The actual balance is also sometimes referred to as your “ledger balance”. Your actual balance reflects transactions that have posted to your account, but it does not reflect transactions that have been authorized and are pending or deposits that may be on hold. While the term “actual” may sound as though the number you see is an up-to-date indication of what is in your account that you can spend, that is not always the case because any purchases, holds, fees, other charges, or deposits made on your account that have not yet posted will not appear in your actual balance. For example:

- Assume you have a \$50 actual balance, but you just wrote a check for \$40. Your actual balance is \$50 but it does not reflect the pending check transaction. Though your actual balance is \$50, you have already spent \$40. In this scenario, your available balance is \$10 (\$50 actual balance minus \$40 check).

3. Your “Available Balance”. Your “available” balance is the amount of money in your account that is available to you to use without incurring a fee. The available balance takes into account factors such as holds placed on deposits and pending transactions, like pending debit card purchases that the Credit Union has **authorized**, but that have not yet **posted or settled** to your account. For example:

- Assume you have an actual balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, then that merchant could ask us to pre-authorize the payment in that amount (or even a different amount). If the merchant requests preauthorization in the amount of \$20, we will place a “hold” on your account for \$20 (referred to as an “authorization hold”). Your actual balance will still be \$50 because this transaction has not yet posted, but your available balance will be \$30 because of the restaurant’s \$20 preauthorization request. When the merchant submits its bill for payment (which could be days later and for a different amount than the amount of the authorization hold), we will release the authorization hold, post the transaction to your account, and your actual balance will be reduced by the amount of the posted transaction.

4. Your Available Balance and Non-Debit Card Transactions. For electronic funds transfers (ACH), checks, bill payments, and any other non-debit card transactions, we use your **available balance** at the time a transaction **posts** to determine whether your account is overdrawn and whether a fee will be assessed. For information on your available balance works with respect to debit card transactions, please see Section C.

c. Authorization Holds for Debit Card Transactions:

1. What is an Authorization Hold? When you use your debit card to pay for goods or services, the merchant may seek preauthorization from us for the transaction. When we preauthorize the transaction, we commit to make the requested funds available when the transaction finally posts and as such, we generally place a temporary hold against some or all of the funds in the account linked to your debit card, based on the amount of the preauthorization request from the merchant. We refer to this temporary hold as an “authorization hold,” and the amount of the authorization hold will be subtracted from your available balance as authorization requests are received by us throughout each day.

2. How Does an Authorization Hold Affect Your Available Balance? Until the transaction finally settles or we otherwise remove the hold (for example, we may remove the hold because it exceeds the time permitted or we determine that it is unlikely to be processed), the funds subject to the hold will not be available to you for other purposes. At some point after you sign for the transaction, it is processed by the merchant and submitted to us for payment. This can happen hours or sometimes days after you signed for it, depending on the merchant and its processing company. We have no control over when a merchant may present an item for payment. Merchant payment requests are received in real time throughout the day and are posted to your account as they are received.

3. The Amount of an Authorization Hold May Differ From the Amount of the Actual Transaction. The amount of an authorization hold may differ from the actual transaction amount because the actual transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, this can happen in connection with transactions where your debit card is authorized before your actual transaction amount is known, such as at a restaurant (where you may choose to add a tip to the transaction amount) or a gas station. For these types of transactions, there may be no authorization hold, or the amount of the authorization hold may be different from the

transaction amount. In some other cases we may not receive an authorization request from the merchant, and there will be no authorization hold reflected in your available balance. We cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment.

4. Length of an Authorization Hold. We are permitted to place an authorization hold on your account for up to three (3) business days (or for up to thirty (30) business days for certain types of debit card transactions) from the time of the authorization or until the transaction is paid from your account. However, if the transaction is not submitted for payment, we will release the authorization hold, which will increase your available balance until the transaction is submitted for payment by the merchant and finally posted to your account. If this happens, we must honor the prior authorization and will pay the transaction from your account.

In certain instances, when the amount of the authorization hold is either more or less than the amount of the actual transaction, we may maintain the authorization hold even after the purchase amount is actually paid from your account, which will decrease your available balance. However, in these instances, we will not maintain an authorization hold for longer than three (3) business days (or for up to thirty (30) business days for certain transactions).

5. Your Available Balance and Debit Card Transactions. For debit card transactions, we use your **available balance** at the time a transaction is **authorized** to determine if each specific transaction will overdraw your account and whether a fee will be assessed. Your available balance may not reflect all of your debit card transactions. For debit card transactions involving merchant authorization holds, we look at the available balance at the time a transaction is authorized to determine whether the transaction will result in an overdraft and a fee. If your available balance is insufficient to pay the preauthorization amount requested by a merchant, and you have not opted into Courtesy Pay for payment of everyday debit transactions, we will decline the request. If your available balance is sufficient to cover a merchant's authorization request, the authorization request will be approved and an authorization hold will be placed on your account in the amount of the merchant's authorization request.

If your available balance is insufficient to cover a merchant's authorization request, and you have opted in to Courtesy Pay for everyday debit transactions, we may choose to approve the authorization request. In the instance where your available balance was insufficient to cover a merchant's authorization request at the time of authorization without causing the account to have a negative balance, and we choose to authorize the transaction using Courtesy Pay, we will charge a Courtesy Pay Fee on that transaction when it posts, regardless of the available balance in the account at the time of posting. Note that transactions authorized with a merchant as **recurring** debit card transactions may be covered by Courtesy Pay regardless of whether you have opted into Courtesy Pay for the payment of everyday debit card transactions.

The following examples illustrate how this works if you have opted in for Courtesy Pay with respect to everyday debit transactions:

- Assume your actual and available balances are both \$50, and you use your debit card at a restaurant for \$20. If the restaurant requests preauthorization in the amount of \$20, an authorization hold is placed on \$20 in your account, so your available balance is only \$30, while your actual balance would remain \$50. Before the restaurant charge is sent to us for payment, a check that you wrote for \$40 posts to your account. Because your available balance is only \$30, your account will be overdrawn by \$10, even though your actual balance is \$50. In this case, if we pay the \$40 check under Courtesy Pay, we will charge you a Courtesy Pay Fee as disclosed in our Fee Schedule, which will be deducted from your account, further increasing the overdrawn amount. When the restaurant charge is finally submitted to us for payment, we will release the authorization hold and pay the transaction amount (which may be \$20 or even a different amount, for example, if you added a tip) to the restaurant. Because the amount of the restaurant charge was authorized when the available balance in the account was sufficient to cover the transaction, we will not charge you a Courtesy Pay Fee.
- Assume your actual and available balances are both \$5, and you use your debit card at a store for \$25. If the store requests preauthorization in the amount of \$25, an authorization hold is placed on your account for \$25 using Courtesy Pay and a Courtesy Pay Fee is charged because the available balance in your account was insufficient at the time the transaction was authorized. Regardless of the available balance in your account at the time this transaction posts, you will be charged a Courtesy Pay Fee for this transaction.

d. Payment of Overdrafts:

1. The Credit Union Has No Obligation to Pay Your Overdrafts. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we pay a transaction that overdraws your account, we are not obligated to continue paying such transactions in the future. We may pay all, some, or none of your overdrafts, without notice to you. You are liable to us to repay any overdrafts on your account whether you created them or not. If you do not pay us, and we take collection action against you, you agree to pay for any costs of collection. We may close, without notice, any account with excessive overdraft activity, and report the account to a consumer reporting agency.

2. Fees Associated with Overdrawing Your Account – Courtesy Pay Fees. We assess a fee each time an item is presented for payment that we either pay, resulting in an overdraft, or which we decline pay because payment of the item would result in an overdraft had we paid it. If we pay an item in accordance with Courtesy Pay, we will charge you a Courtesy Pay Fee, however we will charge you no more than six (6) Courtesy Pay Fees per day. In most cases, we will not charge a Courtesy Pay Fee in connection with transaction that overdraws your account by less than \$5.00. If you have a qualifying direct deposit to your account during the previous month in which you utilize Courtesy Pay, we will not charge a Courtesy Pay Fee in connection with a transaction that overdraws your account by less than \$50.

3. Fees Associated with Overdrawing Your Account – Overdraft Transfer Protection Service. There are fees associated with using our Overdraft Transfer Protection Service. These fees may be less expensive than Courtesy Pay Fees or NSF Fees. If we pay an item in accordance with our Overdraft Transfer Protection Service, we will charge you an Overdraft Transfer Protection Fee. If you have elected **both** the Overdraft Transfer Protection Service **and** Courtesy Pay, there are circumstances wherein you will be charged **both** an Overdraft Transfer Protection Fee **and** a Courtesy Pay Fee. These circumstances are discussed in greater detail in Section F. There is no limit to the total fees we can charge you for over drafting your account. We reserve the right in some circumstances, to waive Overdraft Transfer Protection Fees. If you have a qualifying direct deposit to your account during the previous month in which you utilize the Overdraft Protection Service, we may waive Overdraft Transfer Protection Fees incurred in the month fees were incurred.

4. Fees Associated with Overdrawing Your Account – NSF Fees. If we do not pay an item, we will return the item and charge you an NSF Fee **each time an item is presented for payment** and we return it unpaid due to an insufficient available balance. We have no control over the number of times an intended payee may resubmit the same item to us for payment. There is no limit on the total fees we can charge you for over drafting your account. We reserve the right in some circumstances, to waive NSF Fees. If you have a qualifying direct deposit to your account during the previous month in which you incur an NSF Fee, we may waive the NSF Fees incurred in that the month fees were incurred.

5. Fee Schedule. Please refer to the Fee Schedule for a current listing of all fees and qualifying amounts associated with overdrawing your account.

6. YOU ACKNOWLEDGE THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE APPEARS TO SHOW THERE ARE SUFFICIENT AVAILABLE FUNDS TO COVER A TRANSACTION THAT YOU WANT TO MAKE. This is because your available balance may not reflect all of the outstanding checks, automatic bill payments that you have authorized, or other outstanding transactions that have not yet been paid from your account. For example, you may have written a check that is still outstanding because it has not been submitted for payment by the payee. That check will not be reflected in your available balance until it is presented to us and paid from your account.

In addition, your available balance may not reflect all of your debit card transactions. We have no control over when a merchant submits an item for payment. For example, if a merchant obtains our prior authorization but does not submit an everyday debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions including, but not limited to, car rental transactions and international transactions), we are required to release the authorization hold on the transaction. Your available balance will not reflect this transaction once the hold has been released. Please refer to the section entitled "Authorization Holds for Debit Card Transactions" below for information about how authorization holds affect your available balance.

Finally, your available balance may not reflect the most recent deposits to your account. Please refer to the Funds Availability Disclosure for information regarding the availability of your deposits for withdrawal.

e. How Transactions Are Posted To Your Account:

There are basically two types of transactions in your account: credits or deposits of money into your account, and debits or payments out of your account. It is important to understand how each is applied to your account so that you know how much money is available to you at any given time. This section explains generally how and when we post transactions to your account.

When processing items drawn on your account, our policy is to pay them as we receive them. We commonly receive items to be processed against your account(s) multiple times per day in what are referred to as presentment files. Each presentment file received commonly contains a large amount of a specific type of item (checks, ACH transactions, or ATM/POS transactions). It is common for each of these presentment files to contain multiple items to be processed against your particular account. When multiple items are received at the same time, the items will be paid as follows:

- Checks withdrawals are generally paid based on the check numerical order (from lowest to highest);
- ACH deposits and withdrawals are generally posted in the order received
- ATM, Teller and Debit PIN transactions are generally posted in real time.
- Transactions performed in person, such as withdrawals or checks cashed at one of our locations or a shared branch, are generally paid at the time they are performed.

The order in which items are paid is important if your account does not contain sufficient available funds to pay all of the items that are presented. If an item is presented for payment and your available balance is insufficient to pay it, we may, at our discretion, automatically transfer available funds from your designated account pursuant to the Overdraft Transfer Protection Service, pay the item pursuant to Courtesy Pay, or return the item (NSF).

Please understand that the above information is only a general description of how certain types of transactions are posted. These practices may change, and the Credit Union specifically reserves the right to pay items in any order, as permitted by law.

f. Overdraft Transfer Protection:

1. Overdraft Transfer Protection Service. We offer an optional overdraft protection plan that we refer to as our “Overdraft Transfer Protection Service” where funds from a linked savings account are used for overdraft protection. We will look first to this service for overdraft protection before applying our discretionary Courtesy Pay Overdraft Service when your account is overdrawn. The Overdraft Transfer Protection Service may save you money on the total fees you pay us for overdraft protection.

With this service, you authorize us to make transfers of available funds automatically from your regular savings account, plus the overdraft transfer fees, to cover overdrafts in your checking account. The Overdraft Transfer Protection Service is an optional feature that can be added to your eligible checking accounts upon your request. To request or terminate the Overdraft Transfer Protection Service: (1) call us at (586) 263-8800 or (866) 674-2848; (2) visit any branch and speak with a MSGCU Representative; or (3) mail a request to Michigan Schools and Government Credit Union, 40400 Garfield Road, Clinton Township, MI 48038.

Overdrafts paid pursuant to the Overdraft Transfer Protection Service may be subject to a per-item Overdraft Transfer Protection Fee as set forth in the Fee Schedule.

If you decline or terminate the Overdraft Transfer Protection Service and are not eligible for Courtesy Pay, and there are insufficient available funds in your checking account to pay an item, your item will not be paid unless it was a previously authorized everyday debit card transaction. The items will be returned, and an NSF fee will be charged, **each time an item is presented for payment and returned unpaid due to an insufficient available balance**. It is important to remember that we have no control over how many times an intended payee may present the same item for payment. Multiple presentments of the same item will result in multiple fees. Transfers will appear on your periodic statements for each applicable account.

2. Limits on Overdraft Transfer Protection Service. We will not transfer more than the available account balance in designated linked account if the amount of the overdraft and related fee(s) exceed the available amount. If the available balance in a designated linked account is not enough to pay the full amount of the transaction(s) you have initiated on any day plus the Overdraft Transfer Protection Fee(s), we will transfer up to the available balance to pay one or more transactions, plus the applicable fee for each item. Any transactions that are not paid by the transfer will either be paid through our Courtesy Pay Service or returned, and Overdraft Transfer Protection Fees, Courtesy Pay Fees, and/or NSF Fees, as applicable, will be assessed.

The following example illustrates how this works if you have elected **both** Overdraft Transfer Protection Service and Courtesy Pay Overdraft Service:

- Assume your actual and available balances in your checking account are both \$50, and your available balance in your savings account is \$10. You write a check for \$80. When the check is presented for payment, because you don't have \$80 available in your checking account or regular savings account, the item cannot be fully paid using the Overdraft Transfer Protection Service from the regular savings account. However, if you have also elected Courtesy Pay, we may elect to transfer the \$10 in your linked savings account and pay the remaining portion of the item using Courtesy Pay. In such case, you will be assessed **both** an Overdraft Transfer Protection Fee **and** a Courtesy Pay Fee.

However, because Courtesy Pay is a discretionary service, we may instead elect to decline to pay the transaction. If we decline to pay the transaction, we will not transfer any funds from your linked savings account, we will decline the transaction, and we will assess you an NSF Fee **each time** the item is presented for payment. It is important to remember that we have no control over how many times an intended payee may present the same item for payment. Multiple presentments of the same item will result in multiple fees.

3. We May Return Items Unpaid. We are not obligated to pay any item presented for payment if your account does not contain sufficient available funds. If we do not authorize and pay an overdraft, then we decline or return the transaction or item unpaid and charge a related NSF Fee as stated in our Fee Schedule. You are responsible for ensuring that your account includes sufficient available funds to pay the transactions you initiate or authorize when they are processed for payment from your account, and you also acknowledge that the timing of when merchants or payees submit transactions to us for payment may vary.

If your account does not have sufficient available funds when a transaction or item is presented to us for payment and, as a result, returned unpaid, the merchant or payee of your transaction or item may choose to resubmit the same transaction, and may do so multiple times. In the event a transaction or item is resubmitted for payment at a time when your account lacks sufficient available funds to pay it and we decline it, we will charge a related NSF Fee **each time** that same transaction is returned unpaid.

4. Termination of Overdraft Transfer Protection Service. We may terminate the Overdraft Transfer Protection Service at any time with or without notice to you. Any owner of the checking account or any owner of a linked regular savings account used for overdraft protection may decline the Overdraft Transfer Protection Service. To terminate the Overdraft Transfer Protection Service: (1) call us at (586) 263-8800 or (866) 674-2848; (2) visit any branch and speak with an MSGCU Representative; or (3) mail notice of your decision to decline the Overdraft Transfer Protection Service to Michigan Schools and Government Credit Union, 40400 Garfield Road, Clinton Township, MI 48038. Your election to decline will be effective after we have received notice and have had a reasonable time to act on it.

g. Courtesy Pay Overdraft Service:

- 1. Courtesy Pay.** In accordance with our commitment to provide valued service and benefits, we may, if you qualify, at our discretion, pay overdrafts that would cause

your eligible checking account to have a negative balance up to the amount of your limit, which is determined by us in our sole and absolute discretion. Courtesy Pay is different than the Overdraft Transfer Protection Service. Courtesy Pay is a backup to the Overdraft Transfer Protection Service and will only be activated if funds are not available from the Overdraft Transfer Protection Service.

2. What Overdraft Transactions are Covered? Courtesy Pay is available for the payment of checks, preauthorized payments under our Bill Payment Service, ACH drafts, and recurring debit transactions. Courtesy Pay is also available for ATM and everyday debit card transactions, **if you opt-in**, as described in the next section below.

3. Optional Overdraft Transactions. The following types of transactions require you to “opt in” (in other words, you must provide us with your affirmative consent) if you would like to include them in Courtesy Pay. Choosing not to opt in may result in these transactions being declined:

- ATM transactions
- Everyday Debit Card transactions

We do not require you to authorize Courtesy Pay for your ATM and everyday debit card transactions as a condition of us providing Courtesy Pay to you for your checks, ACH transactions or other transactions. If you want the Credit Union to authorize and pay overdrafts for ATM and everyday debit card transactions through Courtesy Pay, you must provide us with your consent by: (1) calling us at (586) 263-8800 or (866) 674-2848; (2) visiting any branch and speaking with a MSGCU Representative; or (3) mailing notice of your decision to opt in to Courtesy Pay for everyday debit card transactions to Michigan Schools and Government Credit Union, 40400 Garfield Road, Clinton Township, MI 48038.

4. Eligibility for Courtesy Pay. Courtesy Pay is not a credit product. It is a feature that is automatically included with eligible checking accounts (unless you decline Courtesy Pay entirely as described below or information we get from a consumer reporting agency does not meet Credit Union standards). Eligibility is at the sole discretion of the Credit Union and is based on you managing your checking account in a responsible manner. Courtesy Pay may be available for checking accounts for which the primary checking account owner is 18 years of age or older. We reserve the right to limit Courtesy Pay to one (1) account per household or member. We may suspend or permanently revoke Courtesy Pay from your checking account, in our sole and absolute discretion, based on any one or more of the following criteria:

- You do not bring your checking account to a positive balance for at least one full business day within a sixteen (16) day period;
- Your membership is not in good standing;
- You are more than ten (10) days past due or are in default in any other respect on any loan or other obligation to us;
- You have an outstanding balance due on an overdraft repayment plan;
- You have insufficient credit or negative credit history;
- You are a party to a bankruptcy proceeding;
- Any or all of your account(s) with us are being reviewed for improper activity or transactions;
- You have an unresolved prior loss with us; or
- We believe you are not managing your checking account in a responsible manner which may harm you or us.

5. Courtesy Pay is a Discretionary Privilege. Any payment made by us under Courtesy Pay will be made on a case-by-case basis, in our sole and absolute discretion. Courtesy Pay does not constitute an actual or implied agreement between you and the Credit Union, nor does it constitute an actual or implied obligation of the Credit Union. Courtesy Pay is a privilege that the Credit Union provides from time to time and which may be withdrawn or withheld by the Credit Union at any time, without prior notice, reason or cause.

6. Notification. If you qualify for Courtesy Pay, we will notify you that Courtesy Pay has been added to your account. However, we may refuse to pay an overdraft at any time, even though we may have previously paid overdrafts. We have no obligation to notify you before we pay or return any item. It is important to remember that Courtesy Pay is a purely discretionary benefit offered by the Credit Union. If at any time we determine that your account is no longer eligible for Courtesy Pay for any reason, we can discontinue it immediately without notice to you.

7. How Courtesy Pay is Administered. If you are eligible for the Service, we may elect to pay your overdraft items up to a maximum of \$1,500, including fees. The Courtesy Pay limit applicable to your account is determined by the Credit Union in its sole discretion. We are not required to notify you of any nonsufficient funds checks, ACH items, or other transactions that may have been paid or returned. We may refuse to pay any overdrafts without first notifying you even though your account is in good standing and even if we have paid previous overdrafts.

8. When is the overdraft payment due? The total of the overdraft (negative) balance in your checking account, including any and all fees and charges, is due and payable upon demand, and you are required to immediately deposit sufficient funds to cover the overdraft paid by us and pay the related fees.

9. Courtesy Pay Fees. A Courtesy Pay Fee will be charged to your checking account, in accordance with our Fee Schedule, for each overdraft that is authorized and paid through the Service. This means that more than one Courtesy Pay Fee may be assessed against your checking account per day depending upon the number of overdrafts authorized and paid through Courtesy Pay. You understand that your Courtesy Pay Limit will be reduced by the amount of each overdraft paid by us through Courtesy Pay and the amount of the related Courtesy Pay Fee imposed until such amounts are repaid by you as set forth herein at which time we may replenish your Courtesy Pay Limit by the amount of the repayment. If we choose not to pay the item/transaction under Courtesy Pay, you are subject to a Non-Sufficient Funds (NSF) Fee in accordance with our Fee Schedule for each such item each time it is presented for payment and returned unpaid due to an insufficient available balance. Your periodic statement will itemize Courtesy Pay Fees and NSF Fees for each cycle, as well as the year-to-date total of fees.

10. Transfers to Cover Overdrafts. You understand and agree that we have the right to transfer available funds to your checking account from any of your other account(s) with us (excluding IRAs and certificate accounts), including account(s) upon which you are a joint owner, in an amount equal to the overdraft and related fees.

11. Right of Setoff. In addition to any other rights that we may have, you agree that any deposits, future deposits, or other credits to any account in which you may now or in the future may have an interest are subject to our right of setoff for any liabilities, obligations or other amounts owed to us by you (e.g. overdrafts and any related fees and charges) and such is applicable irrespective of any contribution to the account or source of funds in the account. Moreover, unless you decline Courtesy Pay (see below), you consent and expressly agree that the application of setoff of funds in any account includes the setoff of government benefits (such as Social Security and other public benefit funds) deposited to the account from which the overdraft or related fees are paid to the maximum extent permitted by applicable state and federal law. Each person who causes an overdraft, which is paid by us, agrees to be individually and jointly obligated to repay the unpaid negative balance in accordance with the terms and conditions of Courtesy Pay.

12. Default. You will be in default under the terms of Courtesy Pay if you fail to live up to any of the terms and conditions set forth herein or you are in default on any loan obligation with us and/or a negative balance exists in any other deposit account with us on which you are an owner. If you are in default, in addition to any other rights we may have, we may temporarily suspend overdraft privileges, terminate Courtesy Pay, or close your checking account and demand immediate payment of the entire unpaid negative balance. You also agree to pay any collection costs, attorneys’ fees and court costs that we may incur as a result of your default.

13. Termination; Suspension. We may terminate or suspend Courtesy Pay at any time without prior notice. In no event will any termination relieve you of your obligation to repay any negative account balance, overdraft fees, collection costs and attorneys’ fees, if any. We can delay enforcing any of our rights without losing them.

14. Your Right to Decline Courtesy Pay. Any owner of the checking account may decline the service. If you prefer not to have the Service, visit us in a branch, contact us at (586) 263-8800 or (866) 674-2848; or write to us at Michigan Schools and Government Credit Union, 40400 Garfield Road, Clinton Township, MI 48038, and include your

name, member number and a statement that you are declining the Credit Union's Courtesy Pay Service and we will remove the Service from your checking account. If you decline the Service, you will still be charged an NSF Fee for each item returned each time an item is presented for payment and returned unpaid due to an insufficient available balance.

15. Optional Overdraft Protection Plans. As discussed in more detail above, we also offer the optional Overdraft Transfer Protection Service which links your checking account to a savings account, as well as other overdraft sources and may be less expensive than Courtesy Pay. To learn more, please ask us about these plans.

THE BEST WAY TO KNOW HOW MUCH MONEY YOU HAVE AND AVOID PAYING OVERDRAFT FEES IS TO RECORD AND TRACK ALL OF YOUR TRANSACTIONS CLOSELY. ANOTHER OPTION TO AVOID PAYING OVERDRAFT FEES IS TO HAVE YOUR ACCOUNT LINKED TO OTHER DEPOSIT ACCOUNTS OR A LINE OF CREDIT. PLEASE REVIEW THIS INFORMATION CAREFULLY. IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT US AT (586) 263-8800 OR (866) 674-2848 OR VISIT YOUR LOCAL BRANCH.

17. Postdated and Stale Dated Checks: We may pay any check without regard to its date unless you notify us of a postdating. The notice must be given to us in time so that we can notify our employees and reasonably act upon it. The notice must accurately describe the check, including the exact number, date and amount. You understand that the exact information is necessary for the Credit Union's computer to identify the check. We are not responsible if you give us an incorrect or incomplete description or untimely notice. You may make an oral notice which lapses in fourteen (14) calendar days unless confirmed in writing. A written notice is effective for six (6) months and may be renewed in writing from time to time. You agree not to deposit checks, or other items before they are properly payable. We are not obligated to pay a check drawn on your account that is presented more than six (6) months past its date.

18. Stop Payment Orders:

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

b. Duration of Order: You may make an oral stop payment order which will lapse within fourteen (14) calendar days unless confirmed in writing within that time. A written stop payment order is effective for six (6) months and may be renewed in writing from time to time. We do not have to notify you when a stop payment order expires.

c. Liability: Fees for stop payment orders are set forth on the Fee Schedule. You may not stop payment on any certified check, cashier's check, teller's check, or any other check, or payment guaranteed by us except by Credit Union approval under certain circumstances. Although payment of an item may be stopped, you may remain liable to any item holder including us. You agree to indemnify and hold the Credit Union harmless from all costs including attorney's fees, damages or claims related to our refusing payment of an item, including claims of any multiple party account owner, payee or endorsee in failing to stop payment of an item as a result of incorrect information provided by you.

19. Credit Union Liability: If we do not properly complete a transaction according to this Agreement, we will be liable for your losses or damages not to exceed the amount of the transaction except as otherwise provided by law. We will not be liable if: (1) your account contains insufficient funds for the transaction; (2) circumstances beyond our control prevent the transaction; (3) your loss is caused by your or another financial institution's negligence; or (4) your account funds are subject to legal process or other claim. We will not be liable for consequential damages except liability for wrongful dishonor. Except where required by law or this Agreement specifically provides otherwise, we will not be liable for any action or inaction except for our intentional misconduct or gross negligence. We exercise ordinary care if our actions or non-actions are consistent with applicable State law, Federal Reserve regulations and operating letters, clearing house rules and general banking practices followed in the area we serve. You grant us the right, in making payments of deposited funds, to rely exclusively on the form of the account and the terms of this Account Agreement. Any conflict between what you or our employees may say or write will be resolved by reference to this Agreement. Except where applicable law or this Agreement provides otherwise, we will not be liable for any events not involving our intentional misconduct or gross negligence.

20. Credit Union Lien and Security Interest: If you owe us money as a borrower, guarantor, endorser, or otherwise, we reserve, except to the extent we have contracted to the contrary or where prohibited by law, all offset and lien rights provided under any law on the account funds in any account in which you have an ownership interest regardless of their source. We may apply these funds in any order to pay off your indebtedness. By not enforcing a lien, we do not waive our right to enforce it later. In addition, you grant the Credit Union a consensual security interest in your accounts, and we may use the funds from your accounts to pay any debt or amount now or hereafter owed the Credit Union, except for obligations secured by your residence unless prohibited by applicable law. This right does not apply to the account if: (a) if it is an IRA or tax deferred retirement account; (b) the debtor's right of withdrawal arises only in a representative capacity; or (c) any other restrictions are imposed by State or Federal law.

a. Responsibility for your transactions not involving an account: If (i) you present a check or other item to us drawn on another financial institution for cash over the counter or for payment of any obligation owing to us or (ii) we initiate an automated clearinghouse (ACH) transfer to another financial institution for any obligation owing to us and the check, other item, or ACH transfer is returned to us unpaid for any reason not attributable to us, we may charge a returned transaction fee to any of your accounts (except accounts described in Section 20 as not being subject to lien or setoff rights) or, to the extent allowed by law, charge a returned transaction fee to the obligation for which payment was intended.

21. Legal Process: If any legal action is brought against your account, we may pay out funds according to the terms of the action or refuse any payout until the dispute is resolved. Any expenses or attorney fees we incur responding to legal process may be charged against your account without notice, unless prohibited by law. Any legal process against your account is subject to our lien and security interest.

22. Account Information: Upon request, we will give you the name and address of each agency from which we obtain a consumer report as part of our administration of your account. We agree not to disclose account information to third parties except when: (1) it is necessary to complete a transaction; (2) the third party seeks to verify the existence or condition of your account in accordance with applicable law; (3) such disclosure complies with the law or a government agency or court order; or (4) you give us written permission.

23. Notices:

a. Name or Address Changes: You are responsible for notifying us of any address or name change. The Credit Union is only required to attempt to communicate with you at the most recent address you have provided to us. We may accept oral notices of a change in address and may require notice from you to us to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth on the Fee Schedule.

b. Notice of Amendments: Except as prohibited by applicable law, we may change the terms of this Agreement. We will notify you of any changes in terms, rates or fees as required by law.

c. Effect of Notice: Any written notice you give us is effective when we receive it. Any written notice we give to you is effective when it is deposited in the U.S. Mail, postage prepaid and addressed to you at your statement mailing address. Notice to any account owner is considered notice to all account owners.

24. Taxpayer Identification Numbers and Backup Withholding: Your failure to furnish a correct Taxpayer Identification Number (TIN) or meet other requirements may result in backup withholding. If your account is subject to backup withholding, we must withhold and pay to the Internal Revenue Service (IRS) a percentage of dividends, interest and certain other payments. If you fail to provide your TIN, we may suspend opening your account, or if applicable, you may request a non-dividend or non-interest bearing account until a TIN is provided.

25. Statements:

a. Contents: If we provide a periodic statement for your account, you will receive a periodic statement of transactions and activity on your account during the statement period as required by applicable law. If a periodic statement is provided, you agree that only one statement is necessary for a multiple party account. Your canceled checks (the checks drawn against your account that we honor) will not be returned to you, they will become Credit Union property and be held by us ("truncated") for you. They also may be truncated earlier in the check clearing process, such as by the bank into which the payee deposits them. This may be done either pursuant to a contractual electronic presentment process or under a federal law commonly referred to as "Check 21." Your monthly statement will itemize your canceled checks by number, date of clearing and the amount of the check. Any objection respecting any item shown on a periodic statement is waived unless made in writing to the Credit Union within (60) days after the statement is mailed. A copy of any check will be available to you as required by law. There may be a small fee to obtain a copy of a check (see the Fee Schedule for a list of fees). When a copy of a check is requested, the Credit Union may provide it to you in the form of a "substitute check" as prescribed in the "Check 21" law. Upon issuance, the Credit Union will provide you with a disclosure regarding your rights regarding substitute checks and how you may make a claim for a refund for losses related to a substitute check. You understand and agree that statements are made available to you on the date they are mailed, or you and we have agreed to another distribution method, on the date they are otherwise delivered or made available to you. You also understand and agree that checks or copies thereof are made available to you on the date the statement is mailed to you, even if the checks do not accompany the statement.

b. Examination: You are responsible for examining each statement and reporting any irregularities to us. For consumer accounts, we will not be responsible for any forged, altered, unauthorized or unsigned items drawn on your account if: (1) you fail to notify us within sixty (60) days of the mailing date of the earliest statement regarding any forgery, alteration or unauthorized signature on any item described in the statement; or (2) any items are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of a facsimile signature machine. Business and organization accounts are subject to terms and conditions in our Business Account Disclosure.

c. Notice to Credit Union: You agree that the Credit Union's retention of checks does not alter or waive your responsibility to examine your statements or the time limit for notifying us of any errors. The statement will be considered correct for all purposes, and we will not be liable for any payment made or charge to your account unless you notify us in writing within the above time limit for notifying us of any errors. If you fail to receive a periodic statement, you agree to notify us within fourteen (14) days of the time that you regularly receive a statement.

26. Cooperation in Loss Recovery Efforts: You agree to fully cooperate in any effort we undertake to recover funds that were taken from your account without authorization. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agreed to cooperate fully in any prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account. If a loss is the result of our actions (we lose a check you deposited, for example), you agree to help us to recover the loss but we will be responsible for all expenses involved.

27. Inactive Accounts: If you have not made any transactions in the last twelve (12) months, we may classify your account as inactive or dormant. Unless prohibited by applicable law, we may charge a fee as set forth on the Fee Schedule for processing your inactive account. If we impose a fee, we will notify you, as required by law, at your last known address. You authorize us to transfer funds from another account of yours to cover any service fees, if applicable. To the extent allowed by law, we reserve the right to transfer the account funds to an accounts payable and to suspend any further account statements. If a deposit or withdrawal has not been made on the account and we have had no other sufficient contact with you within the period specified by State law, the account will be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with State law. We may remit the funds earlier than mandated by law to the extent the law authorizes us to do so earlier. We may charge a fee as set forth on the Fee Schedule for remitting your funds to the State. Once funds have been turned over to the State, we have no further liability to you for such funds, and if you choose to reclaim such funds, you must apply to the appropriate State agency.

28. Special Account Instructions: You may request that we facilitate certain trust, will or court-ordered account arrangements. However, because we do not give legal advice, we cannot counsel you as to which account arrangement most appropriately meets the specific requirements of your trust, will or court order. If you ask us to follow any instructions that we believe might expose us to claims, lawsuits, expenses, liabilities or damages, whether directly or indirectly, we may refuse to follow your instructions or may require you to indemnify us or post a bond or provide us with other protection. Account changes requested by you or any account owner, such as adding or closing an account or service, must be evidenced by a signed Account Change form and accepted by us.

29. Termination of Account: We may terminate your account or restrict activities on your account at any time without notice to you or may require you to close your account and apply for a new account if: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or the funds in the account; (4) any checks are lost or stolen; (5) there are excessive returned unpaid items not covered by an overdraft protection plan; (6) there has been any misrepresentation or any other abuse of any of your accounts; or (7) we reasonably deem it necessary to prevent a loss to us. You may terminate a single party account by giving written notice. We reserve the right to require the consent of all owners to terminate a multiple party account although any owner may remove himself/herself as an owner at any time. We are not responsible for payment of any check, withdrawal or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.

If at any time we believe that your account may be subject to irregular, unauthorized, fraudulent or illegal activity, we may, in our discretion, freeze the funds in the account and in other accounts you maintain with us, without any liability to you, until such time as we are able to complete our investigation of the account and transactions. If we do freeze your account funds, we will provide notice to you as soon as reasonably possible. Notice may be made by mail or verbally or provided by other means, such as online banking or text alerts as permitted by law. We may not provide this notice to you prior to freezing the account if we believe that such notice could result in a security risk to us or to the owner of the funds in the account.

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

31. Death of Account Owner: We may continue to honor all transfer orders, withdrawals, deposits and other transactions on an account until we are notified of a member's death. Once we are notified of a member's death, we may pay checks or honor other payments or transfer orders authorized by the deceased member for a period of six (6) months after that date unless we receive instructions from any person claiming an interest in the account to stop payment on the checks or other items. We may require anyone claiming a deceased owner's account funds to indemnify us for any losses resulting from our honoring that claim. This Agreement will be binding upon any heirs or legal representatives of any account owner.

32. Severability: If a court holds any portion of this Agreement to be invalid or unenforceable, the remainder of this Agreement shall not be invalid or unenforceable and will continue in full force and effect.

33. Enforcement: You are liable to us for any loss, cost or expense we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings and any post-judgment collection actions.

34. Governing Law: This Agreement is governed by the Credit Union's Bylaws, Federal laws and regulations, the laws, including applicable principles of contract law, and regulations of the State of Michigan, and local clearing house rules, as amended from time to time. Except as otherwise provided in the Resolution of Disputes by Arbitration provision, or as may be required by applicable law, you agree that any legal action regarding this Agreement shall be brought in the county in which the Credit Union's Main Office is located.

35. Waivers: We reserve the right to waive any term in this Agreement. Any such waiver shall not affect our right to future enforcement.

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

37. Security: In accordance with Credit Union Practices, MSGCU will not permit open or concealed carry of weapons or firearms on Credit Union premises unless the individual is an active law enforcement officer.

38. Telephone Monitoring and Calling: From time to time you agree we may monitor and record telephone calls made or received by us or our agents regarding your account to assure the quality of our service. In order for us to service the account or to collect any amounts you may owe, and subject to applicable law, you agree that we may from time to time make calls and send text messages to you using prerecorded/artificial voice messages or through the use of an automatic dialing device at any telephone number you provide to us in connection with your account, including a mobile telephone number that could result in charges to you.

39. Permitted Time for Filing a Lawsuit or Arbitration: You must file any lawsuit or arbitration against us within one year after the cause of action arises, unless federal or state law or an applicable agreement provides for a shorter time. This limit is in addition to limits on notice as a condition of making a claim.

40. Binding Arbitration and Class Action Waiver – Resolution of Disputes by Arbitration:

THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING YOUR ACCOUNTS AND ALL RELATED SERVICES. IT PROVIDES THAT EITHER YOU OR WE CAN REQUIRE THAT ANY DISPUTES BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY TRIAL AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, THE DISPUTE IS SUBMITTED TO A NEUTRAL PARTY, AN ARBITRATOR, INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES MAY BE MORE LIMITED THAN RULES APPLICABLE IN COURT.

Agreement to Arbitrate Disputes. Either you or we may elect, without the other's consent, to require that any dispute between us concerning your membership, your deposit accounts ("Accounts") and the services related to your membership and Accounts, including but not limited to all disputes that you may raise against us, must be resolved by binding arbitration, except for those disputes specifically excluded below.

No Class Action or Joinder of Parties. YOU ACKNOWLEDGE THAT YOU AND WE AGREE THAT NO CLASS ACTION, CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ACTION, OR OTHER PROCEEDING WHERE SOMEONE ACTS IN A REPRESENTATIVE CAPACITY, MAY BE PURSUED IN ANY ARBITRATION OR IN ANY COURT PROCEEDING, REGARDLESS OF WHEN THE CLAIM OR CAUSE OF ACTION AROSE OR ACCRUED, OR WHEN THE ALLEGATIONS OR FACTS UNDERLYING THE CLAIM OR CAUSE OF ACTION OCCURRED. Unless mutually agreed to by you and us, claims of two or more persons may not be joined, consolidated, or otherwise brought together in the same arbitration (unless those persons are joint account holders or beneficiaries on your account and/or related accounts, or parties to a single transaction or related transaction), whether or not the claim may have been assigned.

Disputes Covered by Arbitration. YOU ACKNOWLEDGE THAT IN ARBITRATION THERE WILL BE NO RIGHT TO A JURY TRIAL. Any claim or dispute relating to or arising out of your Accounts or our relationship will be subject to arbitration, regardless of whether that dispute arose before or after your receipt of this notice. Disputes include claims made as part of a class action, private attorney general or other representative action, it being expressly understood and agreed to that the arbitration of such claims must proceed on an individual (non-class, non-representative) basis and the arbitrator may award relief only on an individual (non-class, non-representative) basis. Disputes also include claims relating to the enforceability or interpretation of any of these arbitration provisions. Any questions about whether disputes are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced.

All disputes are subject to arbitration, no matter what legal theory they are based on, or what remedy (damages, or injunctive or declaratory relief) they seek. Disputes include any unresolved claims concerning any services relating to your Accounts. Disputes include not only claims made directly by you, but also made by anyone connected with You or claiming through you, such as a joint account holder, account beneficiary, employee, representative, agent, predecessor or successor, heir, assignee, or trustee in bankruptcy. Disputes include not only claims that relate directly to the Credit Union, but also its affiliates, successors, assignees, officers, directors, employees, and agents, and claims for which we may be directly or indirectly liable, even if we are not properly named at the time the claim is made. Disputes include claims based on any theory of law, contract, statute, regulation, tort (including fraud or any intentional tort), or any other legal or equitable ground, and include claims asserted as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; and claims made independently or with other claims. If party initiates a proceeding in court regarding a claim or dispute which is included under this Resolution of Disputes by Arbitration provision, the other party may elect to proceed in arbitration pursuant to this Resolution of Disputes by Arbitration provision.

Disputes Excluded from Arbitration. Disputes filed by you or by us individually in a small claims court are not subject to arbitration, so long as the disputes remain in such court and advance only an individual (non-class, non-representative) claim for relief. However, if a matter in small claims court is removed, transferred, or appealed to a non-small claims court, that claim shall be subject to this Resolution of Disputes by Arbitration provision. Our Claims or disputes against you arising from your status as a borrower under any loan agreement with the Credit Union or to collect any funds you may owe us are also excluded from this Resolution of Disputes by Arbitration provision.

Commencing an Arbitration. The arbitration must be filed with one of the following neutral arbitration forums and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or JAMS. If you initiate the arbitration, you must notify us in writing at:

Michigan Schools and Government Credit Union
Attention: Records Department
40400 Garfield Road
Clinton Township, MI 48038

If we initiate the arbitration, we will notify you in writing at your last known address on file. You may obtain a copy of the arbitration rules for these forums, as well as additional information about initiating an arbitration by contacting these arbitration forums:

American Arbitration Association
1-800-778-7879 (toll-free)
www.adr.org

JAMS
1-800-352-5267 (toll-free)
www.jamsadr.com

The arbitration shall be conducted in the same city as the U.S. District Court closest to your home address, unless the parties agree to a different location in writing.

Administration of Arbitration. The arbitration shall be decided by a single, neutral arbitrator. The arbitrator will be either a lawyer with at least ten years of experience or a

retired or former judge selected in accordance with the rules of the arbitration forum. The arbitrator shall follow procedures and rules of the arbitration forum in effect on the date the arbitration is filed unless those rules and procedures are inconsistent with this arbitration provision, in which case this arbitration provision will prevail. Those provisions and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect member account information and other confidential information if requested to do so by you or by us. The arbitrator shall decide the dispute in accordance with applicable substantive law consistent with the Federal Arbitration Act and applicable statutes of limitations, will honor claims of privilege recognized at law, and will be empowered to award any damages or other relief provided for under applicable law. The arbitrator will not have the power to award relief to, or against, any person who is not a party to the arbitration. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute. You or we may choose to have a hearing and be represented by counsel. The decision rendered by the arbitrator shall be in writing. At your or our request, the Arbitrator shall issue a written, reasoned decision following applicable law and relief granted must be relief that could be granted by the court under applicable law. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

Costs. The party initiating the arbitration shall pay the initial filing fee. If you file the arbitration and an award is rendered in your favor, we will reimburse you for your filing fee. If there is a hearing, we will pay the fees and costs of the arbitration for the first day of that hearing. All other fees and costs will be allocated in accordance with the rules of the arbitration forum. However, we will advance or reimburse filing and other fees if the arbitrator rules that you cannot afford to pay them or finds other good cause for requiring us to do so, or if you ask us in writing and we determine there is good reason for doing so. Each party shall bear the expense of their respective attorneys, experts, and witnesses and other expenses, regardless of who prevails, but a party may recover any or all costs and expenses from another party if the arbitrator, applying applicable law, so determines.

Right to Resort to Provisional Remedies Preserved. Nothing herein shall be deemed to limit or constrain our right to resort to self-help remedies, such as the right of set-off or the right to restrain funds in an account, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process, or to obtain provisional remedies such as injunctive relief, attachment, or garnishment by a court having appropriate jurisdiction; provided, however, that you or we may elect to arbitrate any dispute related to such provisional remedies, except in an action by us against you that has been initiated by Us to collect funds that you may owe to us.

Arbitration Award. The arbitrator's award shall be final and binding unless a party appeals it in writing to the arbitration forum within fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. The appeal must request a new arbitration before a panel of three neutral arbitrators selected in accordance with the rules of the same arbitration forum. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same manner as allocated before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days of notice of the award or pursuant to the rules of the arbitration forum, whichever is later. A final and binding award is subject to judicial intervention or review only to the extent allowed under the Federal Arbitration Act or other applicable law. A party may seek to have a final and binding award entered as a judgment in any court having jurisdiction.

Governing Law. You and we agree that our relationship includes transactions involving interstate commerce and that these arbitration provisions are governed by, and enforceable under, the Federal Arbitration Act. To the extent state law is applicable, the laws of the State of Michigan shall apply.

Severability, Survival. These arbitration provisions shall survive (a) termination or changes to your accounts or any related services; (b) the bankruptcy of any party; and (c) the transfer or assignment of your Accounts or any related services. If any portion of this Resolution of Disputes by Arbitration provision is deemed invalid or unenforceable, the remainder of this Resolution of Disputes by Arbitration provision shall remain in force. No portion of this Resolution of Disputes by Arbitration provision may be amended, severed, or waived absent a written agreement between you and us.

Applicability. Arbitration will not apply to your Account as long as you are an active duty Service Member.

Right to Reject this Resolution of Disputes by Arbitration provision. YOU MAY CHOOSE TO REJECT THIS RESOLUTION OF DISPUTES BY ARBITRATION PROVISION BY SENDING US WRITTEN NOTICE AS DESCRIBED BELOW:

Agreement to the Resolution of Disputes by Arbitration provision:

1. If you agree to be bound by the above Resolution of Disputes by Arbitration provision, then no action is needed on your part.
2. If you take no action, then effective immediately your Accounts will be bound by this Resolution of Disputes by Arbitration provision.

Rejection of the Resolution of Disputes by Arbitration provision:

1. If you do not agree to be bound by this Resolution of Disputes by Arbitration provision, you must send us written notice that you reject the Resolution of Disputes by Arbitration provision within 30 days of account opening or within 30 days of receiving this notice, whichever is sooner, including the following information:
 - a. Your written notice must include: your name, as listed on your account, your account number, and a statement that you reject the Resolution of Disputes by Arbitration provision, and;
 - b. You must send your written notice to us at the following address:

**Michigan Schools and Government Credit Union
Attention: Records Department
40400 Garfield Road
Clinton Township, MI 48038**

FUNDS AVAILABILITY POLICY DISCLOSURE

This disclosure describes your ability to withdraw funds at Michigan Schools and Government Credit Union. It only applies to the availability of funds in transaction accounts. At the current time, the only accounts at the Credit Union that are transaction accounts are Checking Accounts. The length of the delay in availability is counted in business days from the day of your deposit. Every day is a business day except for Saturdays, Sundays, and Federal Holidays. If you make a deposit on a business day, we will consider that day to be the day of your deposit. However, if you make a deposit on a non-business day, we will consider that the deposit was made on the next business day we are open. Funds deposited to a night depository are considered deposited on the day on which the deposit is removed from such facility and is available for processing. MSGCU is not responsible for deposits placed in the night depository until the depository is opened, and deposits are subject to count by the credit union.

Note that if your account was opened and funded online, your initial deposit may be held for four (4) business days.

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

1. Same Day Availability: Our policy is to make funds from your deposit available to you on the same day that we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds for paying checks that you have written.

2. Delayed Availability: In some cases, we will not make all of the funds that you deposit by check available to you according to the previously stated availability schedule. Depending on the type of check that you deposit, funds may not be available until the seventh business day after the day of your deposit. Our ability to delay availability is subject to the following restrictions:

- a. Funds from electronic direct deposits to your account will be available on the day we receive the deposit.
- b. Funds from the following deposits will be available no later than the first business day after we receive your deposit:
 1. U.S. Treasury checks that are payable to you
 2. Wire Transfers
 3. Checks drawn on this Credit Union
- c. If you make the deposit in person to one of our employees, funds from the following deposits will also be available no later than the first business day after we receive your deposit:
 1. Cash
 2. State and local government checks that are payable to you.
 3. Cashier's, certified, and teller's checks that are payable to you.
 4. Federal Reserve Bank Checks, Federal home Loan Bank Checks, and postal money orders, if these items are payable to you.

If you do not make your deposit in person to one of our employees (for example, you mail your deposit), funds from these deposits will be made available no later than the second business day after the day we receive your deposit.

d. The first \$225 from a deposit of checks other than those described above will be available no later than the first business day after the day of your deposit. The remaining funds will be available on the second business day after the day of your deposit. For example, if you deposit a check of \$700 on a Monday, \$225 of the deposit is available on Tuesday. The remaining \$475 is available on Wednesday.

If we are not going to make all of the funds from your deposit available to you on the day that we receive your deposit, 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.

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

4. Longer Delays May Apply: We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You deposit 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 communications or computer 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. The funds will generally be available no later than the seventh business day after the day of your deposit.

5. Special Rules for New Accounts: If you are a new member, the following special rules will apply during the first thirty (30) calendar 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 \$5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state, and local government checks will be available on the next business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the ninth (9th) 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 \$5,525 will not be available until the second (2nd) business day after the day of your deposit. Funds from all other check deposits will be available on the seventh (7th) business day after the day of your deposit.

6. Deposits at ATMs: Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth (5th) business day after the date of your deposit. This rule does not apply at ATMs that we own or operate; funds deposited at our machines will be made available no later than the second business day after we receive your deposit unless we elect to delay the availability as described above. All ATMs that we own or operate are identified as our machines.

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

ELECTRONIC FUNDS TRANSFER AGREEMENT

This Electronic Funds Transfer Agreement (EFT Agreement) is between the Credit Union member (designated as "you", "your") and Michigan Schools and Government Credit Union (designated as "we", "us", "our"). It applies to electronic funds transfers and supplements the Membership and Account Agreement with respect to such transactions.

This EFT Agreement describes the type of Electronic Funds Transfer ("EFT") services that we provide. This EFT Agreement should be reviewed carefully, since it informs you of the terms and conditions which apply to these services. The terms of this EFT agreement pertain to consumer accounts only. Different provisions may apply to business accounts and transactions. You are bound by the terms of this EFT Agreement if you use the account(s) covered by the disclosure after the receipt of this EFT Agreement and/or if you ask us to provide you with an ATM card and/or a PIN and you thereafter use them to make such transactions.

Should any inconsistencies exist between the EFT Agreement and the other provisions of the Membership and Account Agreement, the terms and conditions of the EFT Agreement govern with regard to EFT services. Please keep this EFT Agreement for future reference.

This EFT Agreement may be supplemented by other agreements for specific electronic services if you request such services, such as online banking services, mobile banking services, or remote deposit services.

TYPES OF SERVICES

Accounts Affected: Each of the following types of accounts in the Credit Union can be subject to some kind of "Electronic Funds Transfer" service:

- Membership Share
- Checking
- Money Market Checking

- Silver Savings
- Gold Savings
- Holiday Club Account
- Loan Line of Credit

These types of accounts are sometimes referred to in this EFT Agreement as “asset account(s)” or simply as your “account(s)”. You have previously designated which of your account(s) you want to be subject to a particular type of Electronic Funds Transfer service. You may change those instructions in the future, and we will follow your new wishes to the extent our Electronic Funds Transfer programs permit at that time.

Automated Clearing House Transfer Services: We offer preauthorized EFT services through the Automated Clearing House System. We are able to electronically transfer funds from your account(s) to accounts at other financial institutions or receive funds electronically from other financial institutions for deposit in your account. Because you must authorize such transfers in advance, these transfers are called “Preauthorized Transfers”. Some of the services offered as preauthorized transfers are direct deposit of payroll, Social Security and other government payments and automatic bill payment services.

Electronic Funds Transfer Services: At the present time, the following types of Electronic Funds Transfers to or from your account(s) in the Credit Union may be authorized:

Transfers TO your account(s) (credits):

- Deposit of payroll deductions from various employers which have agreed to send such deposits to us.
- Direct deposit of various governmental benefits.
- Deposit(s) from any third party through the facilities of the Automated Clearing House Association.
- Automatic transfers to your account(s) from another person’s account with us.

Transfers FROM your account(s) (debits):

- Electronic check conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your Checking Account using information for your check to:
 - (i) pay for purchases
 - (ii) pay bills
- Automatic deduction from your account of premiums for insurance coverage available to our members.
- Payments of your house mortgage payments, insurance payments and utility bills, as well as other types of payments to third parties, through the facilities of the Automated Clearing House Association.
- Automatic transfers from your account(s) to another person’s account with us.
- Automatic transfers from your account(s) to make payments on another person’s loan owing to us.
- As to transactions other than those made at an authorized ATM, there are, at the present time, no limitations as to how often you can make EFTs, nor are there any restrictions as to the dollar amount of any one EFT.

Automated Teller Machine (ATM) Transactions:

If you have a VISA Debit card for which we have issued a Personal Identification Number (PIN), you can use it to make any or all of the following transactions at any Automated Teller Machine network which is a part of an Electronic Funds Transfer service network to which we belong (some transactions listed below may not be available to all networks).

- Deposits to your Membership Share, Checking account, Money Market Checking, Silver Savings account, Gold Savings account and Holiday Club account.
- Transfer of funds between any of the aforementioned accounts.
- Cash withdrawals from any of the aforementioned accounts, (excluding Holiday Club account) plus advances from the Line of Credit to one of the aforementioned accounts.
- Verify balances on any of the aforementioned accounts and any loan account.

In order to assist us in maintaining the security of your account and the terminals, the Card remains our property and may be revoked or canceled at any time without giving you prior notice.

Your Option to Limit Cash Withdrawals: In addition to dollar amount limitations for withdrawals using your ATM card and/or code that we may establish, you have the option to limit the amount of cash that can be withdrawn by your ATM card and/or code.

Notice Regarding ATM Fees By Others: If you use an Automated Teller Machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated transfer network. If we reissue an electronic access card that has been lost, stolen, damaged, or confiscated for improper use we will charge our normal service charge according to our current Fee Schedule. If there are not sufficient funds in your account(s) to pay an EFT from the account we will charge our normal service charge according to our current Fee Schedule.

Point of Sale Transactions: If you have a VISA Debit card for which we issued you a PIN, you may also use it to purchase goods or services from merchants who have arranged to accept your VISA Debit card as a means of payment. These merchants are referred to as “Participating Merchants” and will display a logo or other symbol which identifies them as a merchant who will accept your card. Purchases made with your VISA Debit card, including any purchases where you receive cash back, are referred to as “point of sale” transactions or “POS” transactions and will cause your Checking Account to be debited for the amount of the purchase. Only Checking Accounts may be used in connection with point of sale transactions performed with your VISA Debit card.

Telephone Audio Response Services/PC Access: You may also call the Credit Union and, upon furnishing the Credit Union with information to identify yourself, transfer money between your accounts, transfer money from your account to another person’s account, transfer money to make loan payments, and verify balance inquiries in specified accounts.

You have previously told us which of these Electronic Funds 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 Funds Transfer service after receipt of this EFT Agreement, we must be notified of the account(s) to be affected. We may make additional types of Electronic Funds Transfer services available in the future. We may also discontinue one or more of our Electronic Funds Transfer services, but if we do that, we will give you at least twenty-one (21) days advance notice in writing.

Excluded Transactions: We have developed an elaborate electronic data processing system which makes it possible to offer you many electronic services. However, some of these services do not constitute “Electronic Funds Transfers” for the purposes of this EFT Agreement such as, for example, automatic transfers from your account(s) to pay your loan(s) owing to us and automatic services and transfers which are “electronic funds transfers” as described above. They do not apply to other transactions which, although electronic in nature, do not constitute “Electronic Funds Transfers” described above.

SERVICE LIMITATIONS

Minimum Balance: You must always maintain a minimum of \$5 in a Membership Share Account to be entitled to make “Electronic Funds Transfers” affecting your account. We reserve the right to increase the minimum balance requirement or to impose other restrictions in the future, but if we do so, we will give you at least twenty-one (21) days advance written notice.

Limitation on Number of Transactions: No limitation on number of transactions or withdrawals per day except as described elsewhere in this disclosure.

Limitation on Dollar Amounts of ATM and Point of Sale Transfers:

- \$500 at Proprietary and Network machines per day.
- Daily limit for point of sale purchases is based on the available funds in the Checking Account involved.

RIGHTS AND RESPONSIBILITIES

Notification of Regulatory Authorities: This EFT Agreement and the EFT services provided in this EFT Agreement are governed by Federal law and Michigan law. You may notify the State agency noted below of any violation of law.

The address of this agency is as follows: Credit Union Division Department of Insurance and Financial Services
P.O. Box 30224
Lansing, Michigan 30220

Electronic Funds Transfer (VISA Debit) Card: If you have received a VISA Debit card (“Card”) from us for the type of terminal transfers noted previously, the following provisions are applicable.

- You agree not to use your Card for a transaction that would cause your account balance to go below zero except to the extent that you have contractual overdraft protection arrangements in place. The Card may only be used with your Personal Identification Number (“PIN”), which is used to identify you as an authorized user of the Card. Because the PIN is used for identification purposes, you will agree to notify us immediately if the Card is lost or if the secrecy of the PIN is compromised.
- We will not be required to complete any improper transaction, but if we do, you do agree to pay us the amount of the improper withdrawal or transfer upon request.
- You also agree not to reveal your PIN to any person not authorized by you to use the Card.
- You agree not to write the PIN on the Card or on any item kept with the Card. The security of your account depends upon you maintaining possession of your Card and the secrecy of your PIN.

Documentation of Transfers

Terminal Transfers: After each EFT transaction greater than \$15, you will receive a receipt (unless you request otherwise) from the Participating Merchant or ATM terminal. You may not receive a receipt for an EFT transaction of \$15 or less.

Preauthorized Transfers: If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call or write us to find out whether or not the preauthorized deposit has been made to your account at the telephone number and address appearing on your periodic statement or as shown on this Agreement.

Statements:

- If your preauthorized transfer/ATM terminal transaction affects your Checking Account, these transactions will be noted on your monthly statement.
- If your preauthorized transfer/ATM terminal transaction affects your Savings account, you will receive a monthly statement unless there were no transactions in a particular month, in which case you would receive your normal quarterly statement.

Your Right to Stop Payment of Preauthorized Transfers

Rights and Procedures to Stop Payments: If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here’s how:

CALL:

(586) 263-8800 or (866) 674-2848

or WRITE:

Michigan Schools and Government Credit Union, 40400 Garfield Road, Clinton Township, MI 48038

in time for us to receive your request three (3) business days or more before item is presented for payment. Every day is a business day except for Saturdays, Sundays, and Federal Holidays. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. The fee for handling such stop payment orders is disclosed in a separate Fee Schedule.

Notice of Varying Amounts: If these regular payments may vary in amount the person you are going to pay will tell you, ten (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 for 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 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 Case of Errors or Questions About Your Electronic Funds Transfers: Call us at (586) 263-8800 or (866) 674-2848 or write to the address appearing on your periodic statement or as indicated above as soon as you can if you think your periodic statement or receipt is wrong, or if you need more information about a transaction listed on the periodic statement or receipt in order to assert an error. For consumer accounts, we must hear from you no later than sixty (60) days after we send the FIRST periodic statement on which the problem or error appeared. You must do all of the following:

- (1) Tell us your name and account number.
- (2) Describe the error or 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 ten (10) business days. We will tell you the results of our investigation within ten (10) business days (or twenty (20) business days for claims made within thirty (30) calendar days of the first deposit into an account that is a new account). If we need more time, however, we may take up to forty-five (45) calendar days (ninety (90) calendar days for point of sale transactions, foreign initiated transfers, or for a claim on a new account). If we decide to do this, we will re-credit your account within ten (10) business days (or twenty (20) business days on claims for new accounts) for the amount you think is in error, so you will have the use of the money during the time it takes us to complete our investigation.

We will tell you the results within three (3) 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.

Clearing of Deposits: Deposits made at an ATM whether in cash, check, or money order are subject to our Funds Availability Policy. The policy is included in this disclosure agreement.

Crediting Payments: Payments made at ATMs whether in cash, check, or money order are subject to verification and the posting of such payment to a loan account may be delayed until the funds can be collected.

Responsibility for Overdraft: If you obtain cash from an ATM or withdraw via a Point of Sale transaction which creates an overdraft in your membership share account or Checking Account(s), the overdraft amount is due and payable upon our demand and you agree to pay the full amount of it to us, together with any applicable service charge when we so demand. You also authorize us in such a case to apply from any other savings account, Checking Account, club account or line of credit you may have in the Credit Union such amount as to be necessary to pay the overdraft amount and service charge.

Notice of Loss or Theft: If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission,

CALL:

(586) 263-8800 or (866) 674-2848.

or WRITE:

Michigan Schools and Government Credit Union, 40400 Garfield Road, Clinton Township, MI 48038

Special Liability Protection Rules for VISA Debit Card: Unless you have been grossly negligent or have engaged in fraud, you will not be liable for any unauthorized transactions made with your lost or stolen VISA Debit Card, when used for POS transactions (excluding transactions made at an ATM), as long as you report the loss or theft of your VISA Debit Card within two (2) business days of when you discover it is missing. If you do not tell us within two (2) business days, your liability is the lesser of \$50 or the amount of funds, property, labor or services obtained through the unauthorized use before you notified us. If your card was lost due to your gross negligence, or if you have handled your card fraudulently, these special rules do not apply, and your liability for the unauthorized use of your VISA Debit Card is addressed in the section titled "Consumer Liability".

Consumer Liability: Tell us AT ONCE if you believe your card and/or code has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account and in any backup account. If you tell us within 2 business days, you can lose no more than \$50 if someone used your card and/or code without your permission. (If you believe your card and/or code has been lost or stolen, and you tell us within 2 business days after you learn of the loss or theft, you can lose no more than \$50 if someone used your card and/or code without your permission.)

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

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

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

Cooperation in Loss Recovery Efforts: You are to fully cooperate in any effort we undertake to recover funds that were taken from your account through an unauthorized electronic funds transfer transaction. For example, you will sign affidavits of loss or forgery that may be required by our insurance company. You also agreed to cooperate fully in any prosecution that may be initiated by the proper authorities pursuant to us filing a complaint about unauthorized activities involving your account.

Reversal of Transaction: We will reverse an EFT transfer resulting from a point of sale transaction at a Participating Merchant in Michigan and re-credit your account for the full amount of the transfer if all of the following occur:

- (1) You provide us notice of having made a good faith attempt to seek redress and make an assurance to us of the return to the Participating Merchant of related goods in dispute, where returnable goods are involved.
- (2) The amount of the transaction is \$50 or more.
- (3) Within four (4) calendar days following the transaction, we receive from you during our normal business hours, a written or oral request for the reversal.
- (4) You verify the reverse order, notice and assurance in writing within fourteen (14) calendar days following oral notification, on a form to be provided by us for that purpose. If written verification is not furnished, we shall reinstate the original debits and credits involved in the transaction to the extent of the available account balance.

Disclosure of Account Information to Third Parties: 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) If you give us your written permission.
- (5) If the information relates to improper use of your account(s).

Liability for Failure to Complete EFT Transfers: If we do not properly complete an EFT transfer to or from your account on time or in the correct amount in accordance with the terms of this Agreement, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If we have terminated this Agreement or the transaction would have exceeded your established credit line.
- If the terminal or any part of the system supporting the operation of the terminal was not working properly, and you knew of the breakdown when you began the transaction or at some time during the process of the transaction.
- If the terminal where you attempted to make the transaction did not have enough cash to allow the transaction.
- When your Card has been reported lost or stolen or we have reason to believe that something was wrong with the transaction.
- When, despite reasonable precautions taken by us, an act of God or other circumstance beyond our control interfered with or prevented the transaction.
- When we receive inaccurate or incomplete information needed to complete a transaction.
- If any necessary authorization for completing the EFT transfer has been revoked by an operation of law.
- In the case of preauthorized transfers, we will not be liable where there was a breakdown of the system which would normally handle the transfer at the time the transfer would have occurred.
- There may be other exceptions provided by applicable law.

Amendments: We may change any of the items of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with any notice required by law or required in this Agreement. You agree that our provision of a notice to you summarizing the changes together with information on how you may obtain a complete copy of the revised Agreement constitutes sufficient notice of the change. When we change this Agreement, you may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

Termination of Prior Agreements: Upon your receipt of this EFT Agreement, this EFT Agreement terminates any earlier Electronic Funds Transfer agreements provided to you from us.

THE TRUTH-IN-SAVINGS ACT DISCLOSURES

The Truth in Savings Act (TIS) is a section of the Federal Deposit Insurance Corporation Improvement Act of 1991. The National Credit Union Administration is charged with enforcing this law as it applies to all credit unions. The purpose of TIS is to promote and simplify comparisons among accounts at all financial institutions. TIS enables consumers to make informed choices and comparisons among competing claims of financial institutions by requiring disclosure of the interest rates payable on the accounts and

the fees payable/assessed on these accounts. It is the intent of MSGCU to maintain compliance with this Federal law pertaining to full disclosure regarding the terms and conditions of all savings programs. The following disclosure information illustrates the various savings alternatives available at MSGCU.

For current rate information, please speak to a MSGCU Representative or contact us at (586) 263-8800 or (866) 674-2848.

1. Membership Share:

a. Dividends: Dividends are paid from current income and available earnings, after required transfers to reserves at the end of a dividend period. This is a variable rate account. As such, dividend rates and Annual Percentage Yield (APY) may change. Refer to the Rate Schedule for current rate information.

b. Compounding and Crediting: Dividends will be compounded quarterly and will be credited quarterly. For this account type, the dividend period is quarterly, for example, the beginning date of the first period for the calendar year begins January 1, and the ending date of that period is March 31. All other dividend periods follow this same pattern. The dividend declaration date follows the ending date of a dividend period, and in the example, this would be March 31. If you close this share account before dividends are paid, you will not receive the accrued dividends.

c. Minimum Balance Requirements: To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of a share in this Credit Union is \$5. The minimum balance required to open this account is \$5.

d. Balance Computation Method: Dividends are calculated using the daily balance method, which applies a daily periodic rate to the balance in the account each day.

e. Dividend Accrual on Deposits: Dividends will begin to accrue on the business day you deposit items into your account.

f. Fees and Charges: See Fee Schedule.

2. Individual Retirement Account:

a. Interest: This is a variable rate account. As such, interest rates and APY may change. Refer to the Rate Schedule for current rate information.

b. Compounding and Crediting: Interest will be compounded monthly and will be credited monthly. For this account type, the interest period is monthly, for example, the beginning date of the first period of the calendar year begins January 1, and the ending date of that period is January 31. All other interest periods follow that same pattern. Interest is paid on the last day of the interest period. In the example, this would be January 31. If you close this deposit account before interest is paid, you will not receive the accrued interest.

c. Minimum Balance Requirements: To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of a share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share.

d. Balance Computation Method: Interest is calculated using the daily balance method, which applies a daily periodic rate to the balance in the account each day.

e. Interest Accrual on Deposits: Interest will begin to accrue on the business day you deposit funds into your account.

f. Fees and Charges: See Fee Schedule.

g. Transaction Limitations: IRAs are subject to limitation and/or penalties imposed by the Internal Revenue Service. Please see your IRA Agreement or your tax advisor for additional information.

3. Health Savings Account (HSA):

a. Interest: These are variable rate accounts. As such, interest rates and APYs may change. Refer to the Rate Sheet for current rate information.

b. Compounding and Crediting: Interest will be compounded monthly and will be credited monthly. For this account type, the interest period is monthly, for example, the beginning date of the first period of the calendar year begins January 1, and the ending date of that period is January 31. All other interest periods follow that same pattern. Interest is paid on the last day of the interest period. In the example, this would be January 31. If the account owner closes this account before interest is paid, the account owner will not receive the accrued interest.

c. Minimum Balance Requirements: To be a member and maintain accounts at our Credit Union, the account owner must purchase one share in the Credit Union. The par value of a share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Regular Share Account.

d. Balance Computation Method: Interest is calculated using the average daily balance method, which totals the ending balances for each day of the interest period, divides the results by the total number of days in the interest period and uses the resulting average balance to calculate interest based on the balances and tiered rates.

e. Interest Accrual on Deposits: Interest will begin to accrue on the business day the account owner deposits funds into the account.

f. Fees and Charges: See Fee Schedule.

g. Transaction Limitations: Funds from this account may not be transferred to another non-Health Savings Account. No overdraft protection or courtesy pay programs are allowed with this account. Any items presented for payment against this account will be returned if sufficient funds are not available within the account. HSAs are subject to limitation and/or penalties imposed by the Internal Revenue Service (IRS). Please see IRS rules governing HSAs.

h. Contributions and Distribution: Deposits made to this account will be considered as current year contributions made by the account owner unless made in person and a contribution direction form has been completed and signed giving the Credit Union specific directions to the contrary. All contributions and distributions are the responsibility of the account owner and must be within IRS regulatory limits. Differences may exist between the account owner's High Deductible Health Plan (HDHP) plan year and the regulatory HSA plan year and should be taken into account when determining contributions/distributions made to the account.

4. Silver and Gold Savings:

a. Interest: These are variable rate accounts. As such, interest rates and APY may change. Refer to the Rate Schedule for current rate information.

b. Compounding and Crediting: Interest will be compounded monthly and will be credited monthly. For this account type, the interest period is monthly, for example, the beginning date of the first period of the calendar year begins January 1, and the ending date of that period is January 31. All other interest periods follow that same pattern. Interest is paid on the last day of the interest period. In the example, this would be January 31. If you close this deposit account before interest is paid, you will not receive the accrued interest.

c. **Minimum Balance Requirements:** To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of a share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share.

- For Silver and Gold savings, the annual percentage yield is calculated based on the minimum average balance in your account during the month.

d. **Balance Computation Method:** Interest is calculated using the average daily balance method, which totals the ending balances for each day of the interest period, divides the results by the total number of days in the interest period and uses the resulting average balance to calculate interest based on the balances and tiered rates.

e. **Interest Accrual on Deposits:** Interest will begin to accrue on the business day you deposit funds into your account.

f. **Fees and Charges:** See Fee Schedule.

5. **Holiday Club Account:**

a. **Interest:** This is a variable rate account. As such, interest rates and APY may change. Refer to the Rate Schedule for current rate information. Interest will not be paid on funds that are withdrawn from the account prior to maturity.

b. **Compounding and Crediting:** Interest on this account does not compound and is credited annually on November 1. If you close this account before the interest is paid, you will not receive the accrued interest.

c. **Minimum Balance Requirements:** To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of a share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share Account.

d. **Balance Computation Method:** Interest is calculated using the daily balance method, which applies a daily periodic rate to the Balance in the account each day and is paid annually on November 1.

e. **Interest Accrual on Deposits:** Interest will begin to accrue on the business day you deposit funds into your account.

f. **Fees and Charges:** See Fee Schedule.

g. **Transaction Limitations:** Early withdrawal from this account will result in the account being closed.

6. **Money Market Checking:**

a. **Interest:** These are variable rate accounts. As such, interest rates and APY may change. Refer to the Rate Schedule for current rate information.

b. **Compounding and Crediting:** Interest will be compounded monthly and will be credited monthly. For this account type, the interest period is monthly, for example, the beginning date of the first period of the calendar year begins January 1, and the ending date of that period is January 31. All other interest periods follow that same pattern. Interest is paid on the last day of the interest period. In the example, this would be January 31. If you close this account before interest is paid, you will not receive the accrued interest.

c. **Minimum Balance Requirements:** To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of a share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share Account. For the Money Market Checking you must maintain a minimum average daily balance of \$2,500 in your account to obtain the disclosed annual percentage yield for the corresponding tier.

d. **Balance Computation Method:** Interest is calculated using the average daily balance method, which totals the ending balances for each day of the interest period, divides the results by the total number of days in the interest period and uses the resulting average balance to calculate interest based on the balances and tiered rates.

e. **Interest Accrual on Deposits:** Interest will begin to accrue on the business day you deposit funds into your account.

f. **Fees and Charges:** See Fee Schedule.

7. **Checking Account:**

a. **Interest:** Interest is not paid on this account.

b. **Balance Information:** To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share. A \$25 opening deposit is required for a Regular Checking Account.

c. **Fees and Charges:** See Fee Schedule.

8. **Fresh Start Checking Account***

a. **Interest:** Interest is not paid on this account.

b. **Balance Information:** To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share. A \$25 opening deposit is required for a Fresh Start Checking Account.

c. **Fees and Charges:** See Fee Schedule.

d. **Transaction Limitations:** ATM daily limit of \$200. Point of Sale (POS) daily limit of \$200. POS approval on available funds only. No ATM deposits. No Service Center Transactions.

*Once your account has been in good standing for twelve months, you can apply to upgrade your account to another type of MSGCU Checking Account. A member account is in good standing if: (a) member demonstrates responsible account management - such as making regular deposits; (b) account does not have a negative balance; (c) account does not have any recent NSF activity; (d) Member avoids excessive overdrafts; and (e) there are no legal orders, levies or liens against member's account.

9. **Achieve Student Debit Account***

a. **Interest:** Interest is not paid on this account.

b. Balance Information: To be a member and maintain accounts at our Credit Union you must purchase one share in the Credit Union. The par value of share in this Credit Union is \$5. The \$5 share in the Credit Union will be maintained in the Membership Share.

c. Fees and Charges: See Fee Schedule.

d. Transaction Limitations: ATM daily limit of \$200. Point of Sale (POS) daily limit of \$200. POS approval on available funds only.

*Available to members 16-23 years old. Overdraft Protection and Courtesy Pay available at age 18. Overdraft Protection and Courtesy Pay must be established with Member's Savings Account.

PRIVACY POLICY

FACTS

WHAT DOES MICHIGAN SCHOOLS AND GOVERNMENT CREDIT UNION DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and payment history
- credit history and credit scores

How?

All financial companies need to share members' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their members' personal information; the reasons Michigan Schools and Government Credit Union chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does MSGCU share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes— to offer our products and services to you	YES	YES
For joint marketing with other financial companies	YES	YES
For our affiliates' everyday business purposes— information about your transactions and experiences	YES	NO
For our affiliates' everyday business purposes— information about your creditworthiness	NO	We Don't Share
For our affiliates to market to you	NO	We Don't Share
For nonaffiliates to market to you	YES	YES

To limit our sharing

- Call **586-263-8800** or **866-674-2848** – our menu will prompt you through your choice(s) or
- Visit us online: msgcu.org

Please note: If you are a *new* member, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our member, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

QUESTIONS?

Call **586-263-8800** or **866-674-2848** or go to msgcu.org

Who we are

Who is providing this notice?

Michigan Schools & Government Credit Union

What we do

How does Michigan Schools and Government Credit Union protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Michigan Schools and Government Credit Union collect my personal information?

We collect your personal information, for example, when you

- open an account or deposit money
- pay your bills or apply for a loan
- use your credit or debit card

Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on your account – unless you tell us otherwise

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include companies that utilize the name Michigan Schools & Government Credit Union; and financial companies such as Community Partners Title Agency, LLC.*

Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Nonaffiliates we share with can include companies such as insurance companies.*

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Our joint marketing partners include insurance companies as well as a registered broker/dealer and investment advisor.*