



## RIVERSIDE COMMUNITY FEDERAL CREDIT UNION

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## MEMBERSHIP AGREEMENT & POLICIES

Thank you for opening your account with Riverside Community Federal Credit Union ("RCFCU"). This brochure contains rules which govern your account(s). By signing the Membership Agreement and depositing money in your account, you and RCFCU agree to the following applicable terms of your account. Not all the terms spelled out in this disclosure apply to every account. Refer to the sections that apply to the specific type of account you have opened. Keep this Agreement, as well as the original account receipt, with your permanent documents.

1. **Membership Qualifications-** Member must live, work, worship or go to school within Grant County. Exceptions may apply if immediate family members are established members of RCFCU. You must have a valid ID with a current address. If your ID does not have your current address, we will need two pieces of substantial mail verification for proof of your current address. You authorize us to check your account, credit, employment history, and obtain reports from third parties, including credit reporting agencies to verify your eligibility for the accounts, products, and services we may provide
2. **REGULAR SAVINGS ACCOUNT** - A Regular Savings Account is your membership account with RCFCU. An initial \$5.00 deposit is required to open this account. A \$5.00 balance must stay in the Regular Savings account to keep it open.
3. **DRAFT ACCOUNT-** Draft accounts are available for anyone over the age of 18 that has established a Regular Savings account. There are no monthly fees attached to our draft accounts. ATM/DEBIT cards are available by application and will only be issued if a Draft account exists. We do offer many different styles of checks that our members can choose from at a conveniently low cost. An initial \$50.00 deposit is required to open a draft account. Once the account is open and active, there is no specific minimum balance, the account simply has to stay above zero.
4. **INDIVIDUAL ACCOUNTS-** An individual account is an account owned by only one member who has qualified for credit union membership. If the account owner dies, the interest passes, subject to applicable law, to the account owner's estate or Payable on Death (POD) beneficiary/payee or trust beneficiary, subject to other provisions of this agreement governing our protection for accepting transfer and withdraw requests of an owner or owner's agent prior to notice of an owner's death, any security interest or pledge approved by the account owner, and our statutory lien rights.
5. **JOINT ACCOUNTS-** A joint account is an account owned by two (2) or more persons.
  - a. **RIGHTS OF SURVIVORSHIP-** Unless otherwise stated on the account card, a joint account includes rights of survivorship. This means when one (1) owner dies, all sums in the account will pass to the surviving owner(s). For a joint account without rights of survivorship, the deceased owner's interest passes to his or her estate. A surviving owner's interest is subject to the Credit Union's statutory lien for the deceased owner, even if a surviving owner did not consent to it.
  - b. **CONTROL OF JOINT 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 and/or authenticated request of any other owner(s). Any owner may withdraw or transfer funds, pledge to us all or any part of the shares, or stop payment on items without the consent of the other owner(s). 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 removal 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 in order to act.
  - c. **JOINT ACCOUNT OWNER LIABILITY-** If an item is deposited in a joint account is returned unpaid, a joint account is overdrawn, or if we do not receive final payment on a transaction, the owners, jointly and severally, are liable to us all or any returned item, overdraft, or unpaid amount and for any related fees and 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 the indebted owner, including all funds in the joint account, regardless of who contributed the funds.

6. **POD/TRUST ACCOUNTS DESIGNATIONS-** A Payable on Death (POD) account or trust account designation is an instruction to the Credit Union that an individual or joint account so designated is payable to the owner(s) during his, her, or their lifetimes and, when the last account owner dies, is payable to all surviving POD or trust beneficiaries/payees. Unless state law provides for different ownership or as permitted and documented by us, the beneficiaries/payees will own the funds jointly in equal shares without rights of survivorship when there is more than one surviving beneficiary/payee. Any POD or trust beneficiary/payee designation shall not apply to Individual Retirement Accounts (IRAs). We are not obligated to notify any beneficiary/payee of the existence of any account nor the vesting of the beneficiary/payee's interest in any account, except as otherwise provided by law. This paragraph does not apply to an account held on behalf of or in the name of a trust.
7. **ACCOUNTS FOR MINORS-** We may require any account established by a minor to be a joint account with an owner who has reached the age of majority under state law and who shall be jointly and severally liable to us for any returned item, overdraft, or unpaid amount on such account and for any related fees and charges. 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 except as required by applicable law. We will not change the account status when the minor reaches the age of majority unless the change is authorized in writing by all account owners.
8. **UNIFORM TRANSFERS/GIFTS TO MINORS-** A Uniform Transfers to Minors Account (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 authorized to make deposits, withdrawals, or close the account. We have no duty to inquire about the use or purpose of any transaction except as required by applicable law. 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 withdrawals.
9. **AGENCY DESIGNATION ON AN ACCOUNT-** An agency designation on an account is an instruction to us that the owner authorizes another individual 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 except as required by applicable law.
10. **DEPOSIT OF FUNDS REQUIREMENTS-** Funds may be deposited to any account, in any manner approved by the Credit Union in obedience with the requirements set forth in the Truth-in-Savings Disclosure. Deposits made by mail, at night depositories, or at unstaffed facilities are not our responsibility until we receive them. We reserve the right to refuse or to return any deposit.
  - a. **ENDORSEMENTS-** We may accept transfers, checks, drafts, and other items for deposit into any of your accounts if they are payable 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, draft, or item that is payable to two or more persons is unclear as to whether it is payable to either or both, we may process the check, draft, or item as though it is payable to either person. If an insurance, government, or other check or draft requires an endorsement, we may require endorsement as set forth on the item. Endorsements must be made on the back of the check or draft within 1 ½ inches of the top edge, although we may accept endorsements outside this space. However, any loss we sustain from a delay or processing error resulting from an irregular endorsement or other markings by you or any prior endorser will be your responsibility. If we offer a remote deposit capture service and you have been approved to use the service to make deposits to your account, you agree that, prior to transmitting check or draft images, you will restrictively endorse each original check or draft in accordance with any other agreement with us that governs this service.
  - b. **COLLECTION OF ITEMS-** We act only as your agent and we are responsible for handling items for deposit or collection beyond the exercise of ordinary care. We are not liable for the loss of an item in transit or the negligence of any correspondent. 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 reject any notice of nonpayment, dishonor, or protest regarding items we purchase or receive for credit or collection to your account. We reserve the right to pursue collection of previously dishonored items at any time, including giving a payor financial institution extra time beyond any midnight deadline limits.
  - c. **RESTRICTIVE LEGENDS-** Some checks and drafts contain restrictive legends or similar limitations on the front of the item. Examples of restrictive legends include "two (2) signatures required," "void after 60 days," and "not valid over

\$500.00". We are not liable for payment of any check or draft contrary to a restrictive legend or other limitation contained in or on the item unless we have specifically agreed in writing to the restriction or limitation.

- d. **FINAL PAYMENT-** All checks, drafts, automated clearinghouse (ACH) transfers or other items 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 and impose a returned item or fund transfer.
- e. **DIRECT DEPOSITS-** We may offer direct deposit services, including preauthorized deposits (e.g., payroll checks, Social Security, retirement checks, or other government checks) or preauthorized transfers from other accounts. You must authorize direct deposits or preauthorized transfers by completing a separate authorization document. You must notify us if you wish to cancel or change a direct deposit or preauthorized transfer. Any cancellation or change will become effective once we receive notice from you and have a reasonable period of time to act on your request. If your account is overdrawn, you authorize us to deduct the amount your account is overdrawn from any deposit, including deposits of government payments or benefits. 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.
- f. **CREDITING OF DEPOSITS-** Deposits will be credited to your account on the day we consider them received as stated in our Funds Availability Policy Disclosure.

#### 11. ACCOUNT ACCESS

- a. **AUTHORIZED SIGNATURE-** Your signature on the account card, or authentication and approval of your account, authorizes your account access. We will not be liable for refusing to honor any item or instruction if we believe the endorsement is not authentic. If you have authorized the use of a duplicate endorsement, we may honor any check or draft that appears to bear your duplicate endorsement, 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 information, even if you do not authorize a particular transaction.
- b. **ACCESS OPTIONS-** You may access your account(s) in any manner we permit including, for instance, in person at one of our branch offices, at an ATM or point-of-sale device, or by mail, telephone, automatic transfer, internet access or mobile application. We may return as unpaid any check or draft drawn on a form we do not provide, and you are responsible for any losses, expenses or fees we sustain as a result of handling such a check or draft. We have the right to review and approve any form of power of attorney and may restrict account withdrawals or transfers. We may refuse to honor a power of attorney if our refusal is conducted in accordance with applicable state law.
- c. **CREDIT UNION EXAMINATION-** We may disregard any information on any check or draft other than the signature of the drawer, the amount of the item, and any magnetic encoding. You agree that we do not fail to practice ordinary care in paying an item solely because our procedures do not provide for sight examination of items.

#### 12. FUND TRANSFERS-

Fund transfers we permit that are subject to article 4A of the Uniform Commercial Code, such as wire transfers, will be subject to such provisions of the Uniform Commercial Code as dictated by the state where the main office of the Credit Union is located, except as otherwise provided in this Agreement. ACH transfers are subject to rules of the National Automated Clearinghouse Association (NACHA). We may achieve certain requests for fund transfers by Fedwire which are subject to the Federal Reserve Board's Regulation J.

- a. **AUTHORIZATION FOR TRANSFERS/DEBITING OF ACCOUNTS-** You may make or order fund transfers to or from your account. We will debit your account for the amount of a fund transfer from your account and will charge your account for any fees connected to the transfer.
- b. **RIGHT TO REFUSE TO MAKE TRANSFERS/LIMITATION OF LIABILITY-** Unless we agree otherwise in writing, we reserve the right to refuse to execute any payment order to transfer funds to or from your account. We are not obligated to execute any payment order to transfer funds out of your account if the amount of the requested transfer plus applicable fees exceeds the available balance in your account. We are not liable for errors, delays, interruptions or transmission failures caused by third parties or circumstances beyond our control including mechanical, electronic, or equipment failure. Additionally, we will not be liable for consequential, special, punitive or indirect loss or damage you may sustain in connection with fund transfers to or from your account.
- c. **NO NOTICE REQUIRED-** We will not provide you with notice when fund transfers are credited to your account. You will receive notice of such credits on your statements or your online banking. You may contact us to determine whether a payment has been received.
- d. **INTEREST PAYMENTS-** If we fail to properly execute a payment order and such action results in a delay in payment to you, we will pay you dividends or interest, whichever applies to your account, for the period delay as required by applicable law. You agree that the dividend or interest rate paid to you will be based on the lowest formal dividend or interest rate we were paying on any account during that period.

- e. **PROVISIONAL CREDIT FOR ACH TRANSACTIONS-** We may provisionally credit your account for an ACH transfer before we receive final settlement. If we do not receive final settlement, we may reverse the provisional credit or require you to refund us the amount provisionally credited to your account, and the party originating the transfer will not be considered to have paid you.
  - f. **PAYMENT ORDER PROCESSING AND CUT-OFF TIMES-** Payment orders we accept will be executed within a reasonable time of receipt. Unless we have agreed otherwise in writing, a payment order may not necessarily be executed on the same date it is received or on a certain date you specify. Cut-off times may apply to the receipt, execution and processing of fund transfers, payment orders, cancellations, and amendments. Fund transfers, payment orders, and amendments received after a cut-off time may be treated as having been received on the next fund transfer business day. Information about any cut-off times is available upon request. From time to time, we may need to temporarily suspend processing of a transaction for greater scrutiny or verification in accordance with applicable law. This action may affect settlement or availability of the transaction.
  - g. **IDENTIFYING INFORMATION-** If your payment order identifies the recipient and any financial institution by name and account or other identifying number, the Credit Union and any other financial institutions facilitating the transfer may rely strictly on the account or other identifying number, even if the number identifies a different person or financial institution.
  - h. **AMENDMENTS AND CANCELLATIONS OF PAYMENT ORDERS-** Any account owner may amend or cancel a payment order regardless of whether that person initiated the order. We may refuse requests to amend or cancel a payment order that we believe will expose the Credit Union to liability or loss. Any request to amend or cancel a payment order that we accept will be processed within a reasonable time after it is received. You agree to hold us harmless from and compensate us for all losses and expenses resulting from any actual or attempted amendment or cancellation of a payment order.
  - i. **SECURITY PROCEDURES-** We may require you to follow a security procedure to execute, amend or cancel a payment order so that we may verify the authenticity of the order, amendment or cancellation. You agree that the security procedure established by separate agreement between you and the Credit Union is commercially reasonable. If you refuse to follow a commercially reasonable security procedure that we offer, you agree to be bound by any payment order, whether authorized or not, that is issued in your name and accepted by us in good faith in accordance with the security procedure you choose.
  - j. **DUTY TO REPORT UNAUTHORIZED OR ERRONEOUS FUND TRANSFERS-** You must exercise ordinary care to identify and report unauthorized or invalid fund transfers on your account. You agree that you will review your account(s) and periodic statement(s). You further agree you will notify us of any unauthorized or erroneous transfers within the time frames described in the "Statements" section of this Agreement.
  - k. **RECORDING TELEPHONE REQUESTS-** You agree that we may record payment order, amendment and cancellation requests as permitted by applicable law.
  - l. **REMITTANCE TRANSFERS-** A "remittance transfer" is an electronic transfer of funds of more than \$15.00 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider. If we act as a remittance transfer provider and conduct a remittance transfer(s) on your behalf, the transaction(s) will be governed by 12 C.F.R. part 1005, subpart B- Requirements for remittance transfers. Terms applicable to such transactions may vary from those disclosed herein and will be disclosed to you at the time such services are requested and rendered in accordance with applicable law.
- 13. ACCOUNT RATES AND FEES-** We pay account earnings and assess fees against your account as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges at any time and will notify you as required by law.
- 14. TRANSACTION LIMITATIONS-**
- a. **WITHDRAWAL RESTRICTIONS-** We will pay checks or drafts, permit withdrawals, and make transfers from the available balance in your account. The availability of funds in your account may be delayed as described in our Funds Availability Policy Disclosure. We may also pay checks or drafts, permit withdrawals, and make transfers when you have an insufficient available balance in your account if you have established an overdraft protection plan or, if you do not have such a plan with us, in accordance with our overdraft payment policy.
  - b. **TRANSFER LIMITATIONS-** We may limit the dollar amount or the number of transfers from your account. Please consult your Truth-in-Savings Disclosure or your Electronic Fund Transfers Agreement and Disclosure.
- 15. CERTIFICATE ACCOUNTS-** Any term share, share certificate, time deposit or certificate of deposit account (certificate account), whichever we offer as allowed by applicable federal or state law, is subject to the terms of this Agreement, the Truth-in-Savings Disclosure, the Account Receipt for each account, and any other documents we provide for the account, the terms of which are incorporated herein by reference.

## 16. OVERDRAFTS-

- a. **PAYMENT OF OVERDRAFTS-** If on any day, the available balance in your share or deposit account is not sufficient to pay the full amount of a check, draft, transaction, or other item, plus any applicable fee that is posted to your account, we may return the item or pay it, as described below. The Credit Union's determination of an insufficient available account balance may be made at any time between presentation and the Credit Union's midnight deadline with only one review of the account required. We do not have to notify you if your account does not have a sufficient available balance in order to pay an item. Your account may be subject to a fee for each item regardless of whether we pay or return the item. We may charge a fee each time an item submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item.

If we offer standard overdraft services, this service allows us to authorize payment for the following types of transactions regardless of whether your share or deposit account has sufficient funds: (1) share drafts/checks and other transactions made using your checking account, except as otherwise described below; (2) automatic bill payments; (3) and ACH transactions. For ATM and one-time debit card transactions, you must affirmatively consent to such coverage. Without your consent, the Credit Union may not authorize and pay an ATM or one-time debit card transaction that will result in insufficient funds in your account. If you have established a service linking your share or deposit account with other individual or joint accounts, you authorize us to transfer funds from another account to yours to cover an insufficient item. This includes transfers from a share or deposit account, an overdraft line-of-credit account, or other account you so designate. Service and fees for these transactions are shown in the document the Credit Union uses to capture your affirmative consent and the Schedule of Fees and Charges.

Except as otherwise agreed in writing, if we exercise our right to use our discretion to pay such items that result in an insufficiency of funds in your account, we do not agree to pay them in the future and may discontinue coverage at any time without notice. If we pay these items or impose a fee that results in insufficient funds in your account, you agree to pay the insufficient amount, including the fee assessed by us, in accordance with our standard overdraft services or any other service you may have authorized with us or, if you do not have such protections with us, in accordance with any overdraft payment policy we have, as applicable.

- b. **HOW TRANSACTIONS ARE POSTED TO YOUR ACCOUNT-** There are two types of transactions that affect your account: credits (deposits of money into your account) and debits (payments out of your account). It is important to understand how each is applied to your account so that you know the balance of your account and how much is available to you at any given time. This section explains generally how and when we post transactions to your account.

**CREDITS-** Deposits are generally added to your account when we receive them. However, in some cases when you deposit a check, the full amount of the deposit may not be available to you at the time of the deposit. Please refer to the Funds Availability Policy Disclosure for details regarding the timing and availability of funds from deposits.

**DEBITS-** There are several types of debit transactions. Common debit transactions are generally described below. Keep in mind that there are many ways transactions are presented for payment by merchants, and we are not necessarily in control of when transactions are received.

- **CHECKS-** When you write a check, it is processed through the Federal Reserve system. We receive data files of cashed checks from the Federal Reserve each day. The checks drawn on your account are compiled from these data files and paid each day. We process the payments in check number order lowest to highest contained in the data file.
- **ACH PAYMENTS-** We receive data files every day from the Federal Reserve with Automated Clearing House (ACH) transactions. These include, for example, automatic bill payments you have authorized. ACH transactions for your account are posted throughout the day in order of receipt. Credits are posted before debits in each file received.
- **PIN-BASED DEBIT CARD PURCHASE TRANSACTIONS -** These are purchase transactions using your debit card for which a merchant may require you to enter your personal identification number (PIN) at the time of sale. They are processed through a PIN debit network. These transactions are similar to ATM withdrawal transactions because the money is usually deducted from your account immediately at the time of the transaction. However, depending on the merchant, a PIN-based transaction may not be immediately presented for payment and will be processed in the order received.
- **SIGNATURE-BASED DEBIT CARD PURCHASE TRANSACTIONS-** These are purchase transactions using your debit card that are processed through a signature-based network. Rather than entering a PIN, you typically sign for the purchase; however, merchants may not require your signature for certain transactions. Merchants may seek authorization for these types of transactions. The authorization request places a hold on funds in your account

when the authorization is completed. The "authorization hold" will reduce your available balance by the amount authorized but will not affect your actual balance. The transaction is subsequently processed by the merchant and submitted to us for payment. This can happen hours or sometimes even days after the transaction, depending on the merchant and its payment processor. These payment requests are received in real time throughout the day and are posted to your account when they are received.

This is a general description of certain types of transactions. These practices may change, and we reserve the right to pay items in any order we choose as permitted by law.

- c. **UNDERSTANDING YOUR ACCOUNT BALANCE-** Your share draft account has two kinds of balances: the actual balance and the available balance. Your actual balance reflects the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect the full amount of all deposits to your account as well as payment transactions that have been posted to your account. It does not reflect checks you have written and are still outstanding or transactions that have been authorized but are still pending. Your available balance is the amount of money in your account that is available for you to use. Your available balance is your actual balance less: (1) holds placed on deposits; (2) holds on debit card or other transactions that have been authorized but are not yet posted; and (3) any other holds, such as holds related to pledges of account funds and minimum balance requirements or to comply with court orders. We use your available balance to determine whether there are sufficient funds in your account to pay items, including checks and drafts, as well as ACH, debit card and other electronic transactions. Pending transactions and holds placed on your account may reduce your available balance and may cause your account to become overdrawn regardless of your actual balance. If you have given us your prior consent to authorize and pay overdrafts for ATM and everyday debit card transactions, the Overdraft Privilege Limit is included in the balance for authorizing and paying these transactions. In such cases, subsequent posting of the pending transactions may further overdraw your account and be subject to additional fees. You should assume that any item which would overdraw your account based on your available balance may create overdraft. You may check your available balance online at [www.riversidecommunityfcu.org](http://www.riversidecommunityfcu.org), at an ATM, by visiting a credit union location, our online banking app., or calling us at 765-662-3969.
- d. **OVERDRAFT PROTECTION-** Applies to all transactions and may help prevent overdrafts by automatically transferring funds to your checking account from another account, cash advance, or line of credit you may have with us for a fee or finance charge. Please note that cash advances and overdraft lines of credit are subject to credit approval.
- e. **OVERDRAFT PRIVILEGE-** Allows you to overdraw your account up to the disclosed limit for a fee (as disclosed in our Schedule of Fees) to pay a transaction.
- 17. **POST DATED AND STALE DATED CHECKS OR DRAFTS-** You agree not to issue any check or draft that is payable on a future date (postdated). If you do draw or issue a check or draft that is postdated and we pay it before the date, you agree that we shall have no liability for such payment. You agree not to deposit checks, drafts, or other items before they are relevantly payable. We are not obligated to pay any check or draft drawn on your account that is presented more than six months past its date; however, if the check or draft is paid against your account, we will have no liability for such payment.
- 18. **STOP PAYMENT ORDERS**

  - a. **STOP PAYMENT ORDER REQUEST-** Any owner may request a stop payment order on any check or draft drawn on the owner's account. To be binding, the order must accurately describe the check or draft, including the exact account number, check or draft number, and amount of the check or draft. This exact information is necessary for the Credit Union to identify the check or draft. If we receive incorrect or incomplete information, we order to allow us a reasonable opportunity to act on it. If we recredit your account after paying a check or draft over a valid and timely stop payment order, you agree to sign a statement describing the dispute with the payee, to assign to us all of your rights against the payee or other holders of the check or draft, and to assist us in any legal action.  
Stop payment orders for preauthorized debit transactions from your account are governed by Regulation E. Please refer to the Electronic Fund Transfers Agreement and Disclosure for rules regarding stop payments on preauthorized debit transactions.
  - b. **DURATION OF ORDER-** You may make an oral stop payment order which will lapse within 14 calendar days unless you confirm it in writing, or in a record if allowed by applicable law, within that time. A written stop payment order is effective for six months and may be renewed for additional six month periods by submitting a renewal request in writing, or in a record if allowed by applicable law, before the stop payment order then in effect expires. We do not have to notify you when a stop payment order expires.

- c. **LIABILITY-** Fees for stop payment orders are set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges. You may not place a stop payment on any certified check, cashier's check, money order or any other check, draft or payment guaranteed by us. 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 and all damages or claims related to our refusal to pay an item, as well as claims of any joint account owner or of any payee or endorsee for 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, for example: (1) your account contains an insufficient available balance 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. We are not responsible for a check or draft that is paid by us if we acted in a commercially reasonable manner and exercised ordinary care. We exercise ordinary care if our actions or lack of actions are consistent with applicable law, Federal Reserve regulations and operating letters, clearinghouse rules, and general financial institution 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 agreement. Any conflict regarding what you and our employees say or write will be resolved by reference to this agreement.
20. **CHECKS OR DRAFTS PRESENTED FOR PAYMENT IN PERSON-** We may refuse to accept any check or draft drawn on your account that is presented for payment in person. Such refusal shall not constitute a wrongful dishonor of the check or draft, and we shall have no liability for refusing payment. If we agree to cash a check or draft that is presented for payment in person, we may require the presenter to pay a fee. Any application check or draft cashing fees are stated in the Schedule of Fees and Charges.
21. **REMOTELY CREATED CHECKS OR DRAFTS-** For purposes of this paragraph, "account" means a transaction account, credit account, or any other account on which checks or drafts may be drawn. A remotely created check or draft is generally created by someone other than the person on whose account the check or draft is drawn. Authorization is usually made over the telephone or through online communication. The owner of the account does not sign a remotely created check or draft. In place of the owner's signature, the remotely created check or draft usually bears a statement that the owner authorized the check or draft or bears the owner's printed or typed name. If you authorize a third party to draw a remotely created check or draft against your account, you may not later revoke or change your authorization. It is your responsibility to resolve any authorization issues directly with the third party. We are not required to credit your account and may charge against your account any remotely created check or draft for which the third party has proof of your authorization.
22. **PLEDGE, RIGHT OF OFFSET AND STATUTORY LIEN-** Unless prohibited by law, you pledge and grant as security for all obligations you may have now or in the future, except obligations secured by your principal residence, all shares and dividends and all deposits and interests, if any, in all accounts you have with us currently and in the future. If you pledge a specific dollar amount in your account(s) for a loan, we will freeze the funds in your account(s) to the extent of the outstanding balance of the loan or, if greater, the amount of the pledge if the loan is a revolving loan. Otherwise, funds in you pledge account(s) may be withdrawn unless you are in default. You agree we have the right to offset funds in any of your accounts against the obligation owed to us. Federal or state law (depending upon whether we have a federal or state charter) gives us lien on all shares and dividends and all deposits and interest, if any, in accounts you have with us currently and in the future. Except as limited by federal or state law, the statutory lien gives us the right to apply the balance of all your accounts to any obligation on which you are in default, we may exercise our statutory lien rights without further notice to you.

**Your pledge and our statutory lien rights will allow us to apply the funds in your account(s) to what you owe when you are in default, except as limited by federal or state law.** If we do not apply or offset the funds in your account(s) in order to protect our statutory lien rights, we may apply or offset the funds in your account(s) to the amount you owe us at a later time. The statutory lien and your pledge do not apply to any Individual Retirement Account or any other account that would lose special tax treatment under federal or state law if given as security. By not enforcing our right to apply or offset funds in your account(s) to your obligations that are in default, we do not waive our right to enforce these rights at a later time.

23. **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, as permitted by law. 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.
24. **ACCOUNT INFORMATION-** Upon request, we will give you the name and address of each agency from which we obtain a credit report regarding your account(s). We agree not to disclose account information with 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(s) 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.

**25. NOTICES-**

- a. You are responsible for notifying us of any name or address 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 require all name and address changes to be provided in writing. If we attempt to locate you, we may impose a service fee as set forth in the Truth-in-Savings Disclosure or Schedule of Fees and Charges.
- b. **NOTICE OF AMENDMENTS-** Except as prohibited by applicable law, we may change the terms of this agreement at any time. We will notify you, in a manner we deem appropriate under the circumstances, of any changes in terms, rate or fees as required by law. We reserve the right to waive any terms of this agreement. Any such waiver shall not affect our right to future enforcement.
- 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 provided electronically or is deposited in the U.S. mail, postage prepaid and addressed to you at your statement mailing address, and will be effective whether or not received by you. Notice to any account owner is considered notice to all account owners.
- d. **ELECTRONIC NOTICES-** If you have agreed to receive notices electronically, we may send you notices electronically and discontinue mailing paper notices to you until you notify us that you wish to reinstate receiving paper notices.

**26. TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING-** You agree that we may withhold taxes from any dividends or interest earned on your account as required by federal, state or local law or regulations. 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 within a reasonable time, we may close your account and return the balance to you, less any applicable service fees.

**27. STATEMENTS-**

- a. **CONTENTS-** If we provide a periodic statement for your account, you will receive a periodic statement that shows the 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 joint accounts. For share draft or checking accounts, you understand and agree that your original check or draft, when paid, becomes property of the Credit Union and may not be returned to you, but duplicates of the check or draft may be retained by us or by payable-through financial institutions and may be made available upon your request. You understand and agree that statements are made available to you electronically. You also understand and agree that checks, drafts, or duplicates thereof are made available to you on the date the statement is mailed to you or is provided to you electronically, even if the checks or drafts do not accompany the statement.
- b. **EXAMINATION-** You are responsible for promptly examining each statement upon receiving it and reporting any irregularities such as forged, altered, unauthorized, unsigned, or otherwise fraudulent items drawn on your account, incorrect payments or transactions, or other discrepancies that are reflected on your statement within 60 days of the date we sent or otherwise provided the statement to you, we will not be responsible for your loss. We also will not be liable for any items that are forged or altered in a manner not detectable by a reasonable person, including the unauthorized use of facsimile signature equipment.
- c. **NOTICE TO CREDIT UNION-** You agree that the Credit Union's retention of checks or drafts 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 change 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 14 days of the time you regularly receive a statement.

**28. INACTIVE ACCOUNTS-** As allowed by applicable law, we may classify your account as inactive or dormant and assess a fee if you have not made any transactions in your account over a specified period of time. The period of inactivity, the fee for servicing an inactive or dormant account, and the minimum balance required to avoid the service fee, if any, are set forth in our Schedule of Fees and Charges. 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 account payable or reserve account 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 then be presumed to be abandoned. Funds in abandoned accounts will be reported and remitted in accordance with state law. Once funds have been turned over to the state, we have no further liability to you for such funds, you must apply to the appropriate state agency.

- 29. 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 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 may 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. We may require that account changes requested by you, or any other account owner, such as adding or closing an account or service, be evidenced by a signed Account Change Card or other document which evidences a change to an account and accepted by us.
- 30. TERMINATION OF ACCOUNT-** We may terminate your account at any time without notice to you or may require you to close and apply for a new account if, for example: (1) there is a change in owners or authorized signers; (2) there has been a forgery or fraud reported or committed involving your account; (3) there is a dispute as to the ownership of the account or of the funds in the account; (4) any checks or drafts 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 on your accounts; (7) we reasonably deem it necessary to prevent a loss to us; or (8) as otherwise permitted by law. You may terminate an individual account by giving written notice. We reserve the right to require the consent of all owners to terminate a joint account. We are not responsible for payment of any check, draft, withdrawal transaction, or other item after your account is terminated; however, if we pay an item after termination, you agree to reimburse us.
- 31. TERMINATION OF MEMBERSHIP; LIMITATION OF SERVICES-** You may terminate your membership by giving us written notice or by withdrawing your minimum required membership share, if any, and closing all of your accounts. You may be expelled from membership for any reason allowed by applicable law. We may restrict account access and service without notice to you when your account is being misused; you have demonstrated conduct which is abusive in nature; as outlined in any policy we have adopted regarding restricting services; or as otherwise permitted by law.
- 32. DEATH OF ACCOUNT OWNER-** We may honor all transfers orders, withdrawals, deposits, and other transactions on an account until we are notified of a member's death. Even with such knowledge, we may continue to pay checks or drafts or honor other payments or transfer orders authorized by the deceased member for a period of ten days after the member's passing unless we receive instructions from any person having legal authority in the account to stop payment on the checks, drafts, 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.
- 33. UNLAWFUL INTERNET GAMBLING AND OTHER ILLEGAL ACTIVITIES-** You agree that you are not engaged in unlawful internet gambling or any other illegal activity. You agree that you will not use any of your accounts, access devices or services for unlawful internet gambling or other illegal activities. We may terminate your account relationship if you engage in unlawful internet gambling or other illegal activities.
- 34. 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. All headings are intended for reference only and are not to be construed as part of the agreement.
- 35. ENFORCEMENT-** You are liable to us for any losses, costs, or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such losses, 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 judgement collection actions.
- 36. GOVERNING LAW-** This agreement is governed by the following, as amended from time to time: The Credit Union's bylaws; local clearinghouse and other payment system rules; federal laws and regulations, including applicable principles of contract law; and the laws and regulations of the state of Indiana. As permitted by applicable law, you agree that any legal action regarding this agreement shall be brought in the county in which the Credit Union is located.
- 37. NEGATIVE INFORMATION NOTICE-** We may report information about your loan, share, or deposit accounts to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.
- 38. COPYING OF IDENTIFICATION INFORMATION-** Except as proscribed by applicable law, you give the Credit Union the right to make photocopies of any personal identification cards or other documents which you may be requested to present in initiating various transactions with the Credit Union. This may include a driver's license, a social security card, an employee identification card, or any other document which you may present in order to initiate your identity.
- 39. ARBITRATION AND WAIVER OF CLASS ACTION-** You and the Credit Union agree that both parties shall attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts, or the products or services that the Credit Union has provided, will provide or has offered to provide to you, and/or any aspect of your relationship with the Credit Union (hereafter referred to as the "Claims"). If that cannot be done, then you agree that any and all Claims that are threatened, made, filed or initiated after the Effective Date (specified below) of this Arbitration and Waiver of Class Action that any and all

Claims that are threatened, made, filed or initiated after the Effective Date, shall, at the election of either you or us, be resolved by binding arbitration administered by the American Arbitration Association (AAA) in accordance with its applicable rules and procedures for consumer disputes ("Rules"), whether such Claims are in contract, tort, statute, or otherwise. The Rules can be acquired on the AAA website free of charge at [www.adr.org](http://www.adr.org); or, a copy of the Rules can be obtained at any Credit Union branch upon request. Either you or we may elect to resolve a particular Claim through arbitration, even if one of us has already initiated litigation in court related to the Claim, by: (a) making written demand for arbitration upon the other party, (b) initiating arbitration against the other party, or (c) filing a motion to compel arbitration in court. **AS A RESULT, IF EITHER YOU OR WE ELECT TO RESOLVE A PARTICULAR CLAIM THROUGH ARBITRATION, YOU WILL GIVE UP YOUR RIGHT TO GO TO COURT TO ASSERT OR DEFEND YOUR RIGHTS UNDER THIS ACCOUNT AGREEMENT (EXCEPT FOR CLAIMS BROUGHT INDIVIDUALLY WITHIN SMALL CLAIMS COURT JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT.)** This Arbitration Agreement shall be clarified and enforced with the Federal Arbitration Act set forth in Title 9 of the U.S. Code to the fullest extent possible, notwithstanding any state law to the contrary, regardless of the origin or nature of the Claims at issue. The Arbitration Agreement does not prevent you from submitting any issue relating to your accounts for review or consideration by a federal, state, or local governmental agency or entity, nor does it prevent such agency or entity from seeking relief from seeking relief on your behalf.

- a. **SELECTION OF ARBITRATOR-** The Claims shall be resolved by a single arbitrator. The arbitrator shall be selected in accordance with the Rules and must have experience in the types of financial transactions at issue in the Claims. In the event of a conflict between the Rules and this Arbitration Agreement, this Arbitration Agreement shall supersede the conflicting Rules only to the extent of the inconsistency. If AAA is unavailable to resolve the Claims, and if you and we do not agree on a substitute forum, then you can select the forum, then you can select the forum for the resolution of the Claims.
- b. **EFFECTIVE DATE-** This Arbitration Agreement is effective upon the 61<sup>st</sup> day after we provide it to you, unless you opt-out in accordance with the requirements of the RIGHT TO OPT-OUT provision below.
- c. **CLAIMS ARISING PRIOR TO EFFECTIVE DATE-** THIS BINDING ARBITRATION CONSENT AND AGREEMENT APPLIES TO ALL CLAIMS THAT ARE FILED OR INITIATED AFTER THE EFFECTIVE DATE, EVEN IF THE CLAIM ARISES OUT OF, AFFECTS OR RELATES TO CONDUCT THAT OCCURRED PRIOR TO THE EFFECTIVE DATE. If a Claim is filed or initiated prior to the Effective Date, this Binding Arbitration Consent and Agreement will not apply to Claim.
- d. **ARBITRATION PROCEEDINGS-** The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced. Any claims and defenses that can be asserted through arbitration. The arbitrator shall be entitled to award the same remedies that a court can award. Discovery shall be available for non-privileged information to the fullest extent permitted under the Rules. The Arbitrator's award can be entered as a judgement in court. Except as provided in applicable statutes, the arbitrator's award is not subject to review by the court and it cannot be appealed. The Credit Union shall pay for any filing, administration, and arbitrator fees imposed on you by the AAA. However, you will be responsible for your own attorneys' fees, unless the arbitrator has issued a decision in your favor on your Claim after an arbitration hearing, in which case, we will pay your attorneys' fees. However, if the Credit Union prevails, then you will not be required to pay its attorneys' fees and cost.

Any determination as to whether this Arbitration Agreement is valid or enforceable in part or in its entirety will be made solely by the arbitrator, including without limitation any issues relating to whether a Claim is subject to arbitration; provided, however, the enforceability of the Class Action Waiver set forth below shall be determined by the Court.

- e. **CLASS ACTION WAIVER-** ANY ARBITRATION OF A CLAIM WILL BE ON AN INDIVIDUAL BASIS. YOU UNDERSTAND AND AGREE THAT YOU ARE WAIVING THE RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER IN A CLASS ACTION LAWSUIT.
- f. **SEVERABILITY-** In the event the Class Action Waiver in this arbitration Agreement is found to be unenforceable for any reason, the remainder of this Arbitration Agreement shall also be unenforceable. If any provision in this Arbitration Agreement, other than the Class Action Waiver, is found to be unenforceable, the remaining provisions shall remain full enforceable.
- g. **SURVIVAL-** This Arbitration will survive termination of this Account Agreement.
- h. **RIGHT TO OPT-OUT-** You have the right to opt-out of this Arbitration Agreement, provided you to notify the Credit Union of your intent to do so within 60 days after it is provided to you. Your opt-out is only successful if you notify the Credit Union in writing at 101 N. Washington St., Marion, IN 46952 OR 200 E. Main St., Gas City, IN 46933 within such 60 day time period. If you fail to opt-out within this 60-day time, you will be deemed to have consented to the resolution of your Claims through binding arbitration. In the event you opt-out, it shall not affect other terms and conditions of your Account Agreement or your relationship with the Credit Union.

**FOR MORE DETAILS** or if you have questions, you may call us or visit a branch. If you have questions about AAA procedures, you should check AAA's website, [www.adr.org](http://www.adr.org), OR call AAA at (800) 778-7879.

**40. MONITORING AND RECORDING COMMUNICATIONS-** We may monitor and record communications between you and us, including telephone conversations, electronic messages, electronic records, or other data transmissions that affect your accounts or other products and services. Except as otherwise prohibited by applicable law, you agree we may monitor and record such communications without your approval or further notice to you.

**41. CONSENT TO CONTACT-** By signing or otherwise authenticating an Account Card, you agree we and/or our third-party providers, including debt collectors, may contact you by telephone or text message at any telephone number associated with your account, including wireless telephone numbers (i.e. cell phone numbers) which could result in charges to you, in order to service your account or collect any amounts owed to us, excluding any contacts for advertising and telemarketing purposes as prescribed by law. You further agree methods of contact may include use of pre-recorded or artificial voice messages, and/or use an automatic dialing device. You may withdraw the consent to be contacted on your wireless telephone number(s) at any time by any reasonable means. If you have provided a wireless telephone number(s) on or in connection with any account, you represent and agree you are the wireless subscriber or customary user with respect to the wireless telephone number(s) provided and have the authority to give this consent. Furthermore, you agree to notify us of any change to the wireless telephone number(s) which you have provided for us.

In order to help reduce harm to you and your account, we may contact you on any telephone number associated with your account, including a wireless telephone number (i.e. cell phone number), to deliver to you any messages related to suspected or actual fraudulent activity on your account, data security breaches or identity theft following a data breach, money transfers or any other exigent messages permitted by applicable law. These contacts will not contain any telemarketing, cross-marketing, solicitation, advertising, or debt collection message of any kind. The contacts will be concise and limited in frequency as required by law. You will have an opportunity to opt-out of such communications at the time of delivery.