



# MEMBERSHIP AND ACCOUNT AGREEMENT

This Membership and Account Agreement outlines the privileges and liabilities of Michigan State University Federal Credit Union (MSUFCU) and our members regarding the accounts and services we offer. In this Membership and Account Agreement, the words “we,” “us,” and “our” refer to MSUFCU. The words “you” and “yours” mean any account owner of MSUFCU.

Your account plan(s) and the characteristics of your ownership rights are specified in your Membership and Account Agreement. Your signature(s) on your account application (including your electronic signature through an electronic application process) indicates your agreement, jointly and individually, to the terms and conditions stated in this Membership and Account Agreement, the Membership Application, the Truth in Savings and Funds Availability Disclosure, the Service Fee Schedule, the Current Dividends rate sheet, any Account Receipt included with this Membership and Account Agreement, the MSUFCU Bylaws, Policies and Procedures, and any changes made periodically to these terms and conditions, which collectively dictate your membership and accounts.

**This Membership and Account Agreement includes an arbitration provision and a class action waiver in section 52 (Arbitration Agreement).**

## 1. Eligibility for Membership, Products, and Services.

To become a member of MSUFCU, you must satisfy the membership requirements, including the opening and maintenance of at least one membership share in a savings account as set forth in the MSUFCU Bylaws. You authorize us to verify your membership qualifications and determine whether you qualify for products and services you apply for or MSUFCU may offer to you by reviewing your account, credit, and employment history and by obtaining information from third parties, including, but not limited to, credit reporting companies.

**2. Taxpayer Identification Numbers and Backup Withholding.** If you cannot furnish your Taxpayer Identification Number (TIN) to us, we may not permit you to open an account until you can provide it. Incorrect TINs may cause backup withholding. Backup withholding on your account requires us to deduct a percentage of your dividends, interest, and certain other payments and remit such amount to the Internal Revenue Service (IRS). You may be subject to withholding if you are required to complete a W-8BEN form and have not done so or the form is incomplete or a previously submitted W-8BEN form has expired.

**3. Single-Party Accounts.** An account with only one owner is defined as a single-party account. An owner is an individual who is eligible for membership. If the account owner dies, the remaining funds in the account will be paid to the decedent’s estate, Payable on Death (POD) beneficiary, or trust beneficiary, subject to other terms of this Membership and Account Agreement and applicable law relating to the processing of payments, transfers, and withdrawal requests of an owner, or owner’s agent, before we are notified of an owner’s death.

**4. Multiple-Party Accounts.** An account with two or more people or entities jointly owning an account is considered a multiple-party account and creates a “joint tenancy with rights of survivorship.” Except as modified in this Membership and Account Agreement, joint accounts shall be subject to and governed by PA 41 of the Public Acts of 1968, as amended, being MCLA 490.51, and commonly known as the Credit Union Multiple-Party Accounts Act. A joint owner is not a member of MSUFCU and does not become a member or have voting rights as a result of being designated a joint owner. MSUFCU may deny a joint owner’s application to be added to a member’s account(s) for any reason not excluded by law, including but not limited to adverse credit history or previously causing a loss to a financial institution (including MSUFCU).

**a. Control of Multiple-Party Accounts.** Any owner is allowed and deemed to have the authority to act on behalf of any other account owner(s) with respect to any and all account transactions. We may accept orders and instructions regarding the account and requests for future services from any account owner. We reserve the right to require any changes to the account be made in writing signed by all account owners. The addition of any joint account owners is a change that can only be made in a new account application signed by all account owners. Each owner guarantees the signature of any other owner(s). Each owner irrevocably appoints the other owner to be their agent. An owner does not need permission from the other owner(s) in order to withdraw funds, request stop payment on items, or authorize a transfer of all, or any part, of the funds in an account. We are not obligated to inform any owner(s) about any transaction, except as required by law. If we are informed, in writing, of a disagreement between account owners, or if there is a conflict in directions between owners, on how to handle an account, we may place a hold on all funds in the account, close the account, or require a court order or written permission from all owners before taking any action with respect to the account.

**b. Multiple-Party Account Liability.** If a deposited item in a multiple-party account is returned due to insufficient funds, the account is overdrawn, or a final payment is not made on a transaction, the owners, jointly and individually, are responsible for reimbursing us the amount of the returned item, overdraft, or unpaid item and any fees that may be assessed, no matter who approved or initiated the transaction. We may exercise our rights against any account of any owner and any funds in the multiple-party account to obtain reimbursement from any account owner indebted to us, regardless of who contributed such funds to the account.

**c. Rights of Survivorship.** When the primary account holder dies, the remaining funds in the account will be made payable to any surviving joint owner(s), unless otherwise authorized in the Membership and Account Agreement. When a joint account owner dies, account ownership is retained by the surviving primary member. All funds in an account are subject to any financial obligation, security interest, or pledge authorized by the decedent, even if a surviving owner exists and even if the surviving owner did not agree to it. If a surviving joint party does not exist, the remaining funds in the account will be made payable to the last deceased owner’s estate, subject to any financial obligation, security interest, pledge, or designated surviving POD beneficiary(ies).

**5. Payable on Death Accounts.** When an account beneficiary is named through any method prescribed by MSUFCU, a Payable on Death (POD) Account is established in order to designate the surviving POD beneficiary(ies) of a single- or multiple-party account, excluding Conservator Accounts, Estate Accounts, Representative Payee Accounts, Trust Accounts, Individual Retirement Accounts (IRAs), Health Savings Accounts (HSAs), and Coverdell Education Savings Accounts (CESAs). Beneficiary designation for IRAs, HSAs, and CESAs are established separately. We are not required to inform the beneficiary of the establishment of any such account or their vested interest in any account, unless required by law. All POD beneficiary designations made or changed must be authorized by valid signature of all account owners to be enforceable (including signature(s) through an electronic process). In the event that all account owners do not provide signed authorization for any POD beneficiary designations (for example, at the time of opening an account, or at the time of adding a beneficiary or changing the beneficiary designations, or at the time that a joint owner is added to the account), the account will be considered not to have an enforceable beneficiary designation and the remaining funds in the account will be paid to the last surviving owner’s estate. However, if MSUFCU determines that the signature of any account owner is not valid or is missing, MSUFCU will enforce the immediately preceding beneficiary designation, if any, authorized by valid signature(s) of account owner(s) at that time.

- If more than one POD beneficiary is named, the remaining funds in the account will be paid to all such beneficiaries who survive the death of the last surviving owner, according to the percentage previously designated for each beneficiary. If no percentages were previously designated, the remaining funds in the account will be divided equally among the beneficiaries who survive the death of the last surviving owner. If the percentages that were designated do not total 100%, the remaining funds in the account will be divided equally among the beneficiaries who survive the death of the last surviving owner, regardless of the percentages designated for the named beneficiaries. If a named beneficiary does not survive the account owners, their share of the remaining funds in the account will be divided equally among surviving beneficiaries.
- If no person designated as a POD beneficiary is living at the time of the death of the last surviving owner, the remaining funds in the account will be paid to all named contingent beneficiaries then living, according to the percentage previously designated for each contingent beneficiary. If no percentages were previously designated, the remaining funds in the account will be divided equally among the contingent beneficiaries who survive the death of the last surviving owner. If the percentages that were designated do not total 100%, the remaining funds in the account will be divided equally among the contingent beneficiaries who survive the death of the last surviving owner, regardless of the percentages designated for the named contingent beneficiaries. If a named contingent beneficiary does not survive the last surviving owner, their share of the remaining funds in the account will be divided equally among surviving contingent beneficiaries.
- If no beneficiaries or contingent beneficiaries are living at the time of the death of the last surviving owner, the remaining funds in the account will be paid to the last surviving owner's estate.

NOTE: If the account was opened on or before August 1, 2021, the continued use of this account by any account owner is an agreement by all account owners that any beneficiary designation or change made on or before August 1, 2021 by any account owner is an enforceable beneficiary designation authorized by all account owners.

**6. Trust Accounts.** To establish a Trust Account with MSUFUCU, all Grantors/Settlors (or all Trust beneficiaries) are required to be MSUFUCU members. You must furnish a notarized copy of the Certificate of Trust, which needs to define banking powers and indicate that all Trustee(s) can act independently. All acting Trustees listed within the Trust Agreement must be on this Trust Account. We do not accept Testamentary, Charitable, or Investment Trust accounts or Trusts that list a financial institution as a Trustee.

a. Account Disclosures. The Membership and Account Agreement applies to Trust Accounts. The following items also apply.

b. Account Access. The funds in the account will be administered by the Trustee(s), Successor Trustee(s), or administrator of the Trust as designated within the Trust. MSUFUCU shall act in its capacity as a financial institution and assumes no responsibility for the action(s), including, but not limited to, the deposit or withdrawal of funds, by the Trustee(s) or any authorized individual. All sums paid into the account may be pledged to MSUFUCU as security for a loan or loans to Grantor(s)/Settlor(s) and/or by the Trustee(s), or withdrawn in whole or in part by any Trustee(s). We may at any time require the Trustee(s) to furnish copies of excerpts from the original Trust instrument and later amendments that designate the Trustee(s) and confer upon the Trustee(s) the power to act in a transaction. If one or more Trustees are unable or unwilling to act, we reserve the right to request supporting documentation prior to account opening or making changes to the account.

c. Requirements for a Special Needs Trust Established for an Individual Beneficiary. The beneficiary must be identified in the Trust document. All Grantors/Settlors (if living) must be MSUFUCU members. If the Grantors/Settlors are no longer living at the time of account opening, the beneficiary of the Trust must be an MSUFUCU member.

d. Loans. Loans to Trusts are limited to real estate secured loans (mortgage and home equity loans) and are limited to those properties titled within the name of the Trust. When a real estate secured loan is made to a Trust, we may require a copy of relevant provisions of the Trust instrument.

e. Special Account Instructions. MSUFUCU reserves the right to limit services on Trust Accounts as allowed by law and can restrict account services if you fail to give updated documentation when the Trust is amended or becomes Irrevocable. If a Revocable Trust becomes Irrevocable for any reason, a New Certificate of Trust must be supplied with an EIN (Employer Identification Number), and a new Trust Application must be completed.

f. Requirements upon the Death of a Grantor/Settlor or Trustee. The following requirements apply to Trust Accounts upon the death of a Grantor/Settlor or Trustee:

- Revocable Trust: This Trust is defined as a Trust that can be amended by the Grantor(s)/Settlor(s) as circumstances change. Upon the death of a Grantor(s)/Settlor(s), a death certificate must be provided. A Grantor(s)/Settlor(s) may or may not also be a Trustee. Upon the death of any Trustee you must provide a new Certificate of Trust and complete a new Trust Application. This Trust automatically becomes irrevocable upon the death of all Grantor(s)/Settlor(s).
- Irrevocable Trust: This Trust is defined as a Trust that is not able to be amended or changed. Upon the death of all Grantor(s)/Settlor(s), death certificates of all deceased Grantor(s)/Settlor(s) must be provided. Additionally, a new Certificate of Trust must be provided and a new Trust Application must be completed.

**7. Probate Estate Accounts.** In order to establish a Probate Estate Account with MSUFUCU, the deceased must have been an MSUFUCU member at the time of death or all beneficiaries of the Estate must be MSUFUCU members. A Personal Representative of the Estate must provide Letters of Authority signed by the Probate Court Judge or Court Deputy/Clerk and an IRS-issued Tax Identification Number (EIN) for account opening.

a. Account Disclosures. The Membership and Account Agreement applies to Probate Estate Accounts. The following items also apply.

b. Account Access. All funds on deposit in a Probate Estate Account are owned by the decedent's estate and may be withdrawn or received by the Personal Representative (also referred to as administrator or executor). MSUFUCU can only respond to direction from the court-appointed Personal Representative or an order of the probate court. When multiple personal representatives are named, additional documentation may be required to show that each may act on the Probate Estate Account independently. We assume no responsibility for the administration of a Probate Estate Account or the settlement of a decedent's estate. Upon settlement of the decedent's estate, it is the Personal Representative(s) responsibility to request closure of the Probate Estate Account. MSUFUCU retains the right to restrict services on Probate Estate Accounts in accordance with the Membership and Account Agreement. Failure to produce extending documents from the court upon expiration of original, qualifying documents will result in restriction of account access and services, up to account closure. If a Probate Estate Account is closed, the remaining funds will be mailed to the last known address on file in a check payable to the estate.

c. Release of Liability. We are not liable for any payment(s) by or to the Personal Representative(s), or transactions performed by the Personal Representative(s).

d. Requirements upon the Death of the Personal Representative of the Estate. In the event the Personal Representative of the estate is deceased, all assets within the account will be frozen and no transactions will be allowed until a new Personal Representative is appointed by the Probate Court. At that time, a new Probate Estate Account must be opened or the new Personal Representative may request account closure. The remaining funds will be released in the form of a check made payable to the estate.

e. Loans. Loans are not available for Probate Estate Accounts. Funds in a Probate Estate Account may not be pledged as security for any purpose.

**8. Custodial Accounts.** A Uniform Transfers to Minors Act account (Custodial Account) is an account created by a custodian who deposits funds as an irrevocable gift to a minor. A custodian is defined as an individual 18 years of age or older wishing to manage and invest funds for the minor's behalf until the minor reaches the age of majority. Minors are required to be MSUFUCU members before a custodial account can be established. The minor's Tax Identification Number (TIN) must be provided on the application.

a. Account Disclosures. The Membership and Account Agreement applies to Custodial Accounts. The following items also apply.

b. Account Access. Only one custodian and one minor may be listed on this 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 until the age of majority or such later time, between the ages of 18 and 21, as provided by statute. Withdrawals may only be completed by the custodian until the time the minor takes ownership of the funds. This account is not eligible for ATM cards, debit cards, or checking accounts. If a custodian can no longer act on an account or wishes to be removed from the account, the funds within the account are frozen until the named successor custodian gains control of the account or the minor reaches the age of majority or such later time as provided by statute. If no successor custodian was named on the application, or if the successor custodian is unable or unwilling to act, the account will be frozen until court documents establishing a new successor custodian are provided or the minor reaches the age of majority or such later time as provided by statute. The minor takes control of the property by converting this account to a personal account or withdrawing all funds.

c. Release of Liability. We have no obligation to inquire about the use or purpose of any transaction except as required by applicable law. We are not liable for any payment(s) by or to the custodian or transactions performed by the custodian.

d. Upon Death of a Custodian or Minor. Upon the death of the custodian, the funds within the account are frozen until a successor custodian gains control of the account or the minor reaches the age of majority or such later time as provided by statute. Upon the death of the minor, the funds will be given to the named beneficiary listed on the account or paid to the minor's estate.

e. Loans. Loans are not available for Custodial Accounts. Funds in a Custodial Account may not be pledged as security for any purpose.

f. Special Account Instructions. The minor's Tax Identification Number is used for tax reporting purposes on Custodial Accounts.

**9. Youth Accounts.** MSUFCU reserves the right to limit the accounts and services that are available to minors. For any account established by or for a minor, the minor account owner must have a joint account owner who is a parent or legal guardian of the minor, as approved by MSUFCU. The minor's Tax Identification Number must be provided on the application, and MSUFCU may require further identification documentation for the minor.

a. Account Disclosures. The Membership and Account Agreement applies to Youth Accounts. The following items also apply.

b. Account Access. Legal parent(s)/guardian(s) may act as the minor on their behalf (signing as the minor) and may access the account only if they are listed as joint owner. All funds in this account shall be owned as a joint account with rights of survivorship. The minor may perform transactions at any time without the approval of the joint party. It is understood that we may transfer funds from any accounts in which you have an ownership interest to correct a negative or overdrawn amount on any account on which your name(s) appear(s). At the time the minor reaches age 18, an updated signature from the minor is required to maintain access to this account. Failure to complete updated documentation may result in restrictions in services until proper documents are obtained. We will not automatically remove joint owners when the minor reaches age 18. Once the minor reaches age 18, the joint owners may remove themselves by providing written notice to us, provided that the minor has completed an account application for the existing account after reaching the age of majority. However, when the minor reaches age 18, the minor may open other accounts without a joint owner, provided they qualify for an account.

c. Release of Liability. We have no obligation to inquire about, and no liability for, the use or purpose of any transaction by the minor or joint account owner(s).

d. Loans. Youth Account members who are between the ages of 14 and 17 may apply for a Visa Credit Card with a qualified co-borrower. Other secured and unsecured loans follow normal underwriting guidelines provided the loan is primarily for the minor's benefit.

**10. Representative Payee Accounts.** In order to establish an account with MSUFCU, the Beneficiary must qualify for membership. The Representative Payee(s) must provide documentation from the governmental agency that lists the appointed Representative Payee or Payees (Fiduciary), lists the Beneficiary of the funds, and indicates that all Representative Payee or Payees can act independently. The Beneficiary's IRS-issued Tax Identification Number must be provided on the application.

a. Account Disclosures. The Membership and Account Agreement applies to Representative Payee Accounts. The following items also apply.

b. Account Access. Only one Beneficiary may be listed on a Representative Payee Account. The Representative Payee(s) have control of the account for the exclusive right and benefit of the Beneficiary and is the only party authorized to make deposits, withdrawals, or close the account. If there are no remaining Representative Payees on a Representative Payee Account who can act on an account or who wish to continue their fiduciary responsibility, the funds within the account will be frozen until a successor Representative Payee is named or the Beneficiary is determined to be able to manage their own finances by the applicable governmental agency. In the event that a Conservator or Guardian with financial powers is appointed, the funds in the account may be frozen until it is determined who has authority to transact on this account. MSUFCU is not responsible for any transactions by a Representative Payee which occur after the applicable governmental agency replaces the Representative Payee and before we are provided a copy of the notification from the applicable governmental agency naming a successor Representative Payee.

c. Release of Liability. We have no obligation to inquire about the use or purpose of any transaction except as required by law. We are not liable for any payment(s) by or to a Representative Payee, or transactions performed by a Representative Payee.

d. Upon Death of a Representative Payee or Beneficiary. In the event a Representative Payee deceases and there is no living Representative Payee listed on the account, all funds within the Representative Payee Account will be frozen and no transactions will be allowed until a successor Representative Payee is appointed by the applicable governmental agency. At that time, a new Representative Payee Account must be opened or the successor Representative Payee may request that the account be closed. Upon the death of the Beneficiary, the remaining funds in the Representative Payee Account will be paid to the Beneficiary's estate.

e. Loans. Loans are not available for Representative Payee accounts. Funds in this account may not be pledged as security for any purpose.

f. Special Account Instructions. The Beneficiary's IRS-issued Tax Identification Number will be used for tax reporting purposes on Representative Payee Accounts.

**11. Conservator Accounts.** In order to establish a Conservator Account with MSUFCU, the protected individual must qualify for membership. The Conservator(s) must provide Letters of Conservatorship signed by a judge identifying the Conservator(s), the Protected Individual, the authority of the Conservator(s), and must indicate that any and all Conservator(s) can act independently. Persons named "Guardians" may not open Conservator accounts unless MSUFCU can confirm the court granted the Guardian authority over the Protected Individual's property, including financial assets. The Protected Individual's IRS-issued Tax Identification Number must be provided on the application.

a. Account Disclosures. The Membership and Account Agreement applies to Conservator Accounts. The following items also apply.

b. Account Access. Only one Protected Individual may be listed on a Conservator Account. The Conservator(s) has control of the account for the exclusive right and benefit of the Protected Individual and is the only party authorized to make deposits, withdrawals, or close the account. If there are no remaining Conservators on a Conservator Account who can act on an account or who wish to continue their fiduciary responsibility, the funds within the account will be frozen until a successor Conservator is named. We are not responsible for any transactions by a Conservator which occur after the court orders replacement of that Conservator and before we are provided a copy of the court's order naming a successor Conservator.

c. Release of Liability. We have no obligation to inquire about the use or purpose of any transaction except as required by law. We are not liable for any payment(s) by or to a Conservator, or transactions performed by a Conservator.

d. Other Accounts of a Protected Individual. When a Conservator has been appointed, the Protected Individual may not have any personal accounts with MSUFUCU.

e. Upon Death of a Conservator or Protected Individual. In the event a Conservator dies and there is no living Conservator listed on the account, all funds within the Conservator Account will be frozen and no transactions will be allowed until a successor Conservator is appointed by the court. At that time, a new Conservator Account must be opened or the successor Conservator may request that the account be closed. Upon the death of the Protected Individual, the remaining funds in the Conservator Account will be paid to the Protected Individual's estate, after we exercise our statutory lien and setoff rights.

f. Loans. A Conservator may apply for loans with MSUFUCU when the court's order grants borrowing authority to the Conservator on behalf of the Protected Individual. We may require copies of court orders granting borrowing authority to the Conservator. We reserve the right to contact the court to confirm the Conservator's borrowing authority.

g. Special Account Instructions. The Protected Individual's IRS-issued Tax Identification Number will be used for tax reporting purposes on Conservator Accounts.

## **12. International Accounts.**

a. Requirements to Open an International Account. In order to establish an account with MSUFUCU the following information must be provided:

### Nonresident Aliens (Temporary Residents)

- Current residency documents to support length of stay in the United States
- Proof of address in the United States
- Government-issued identification
- Valid Form W-8BEN and Written Explanation (as applicable)
- Photocopy of your valid foreign identification (foreign passport, foreign driver's license or certificate of residency)

### Resident Aliens (Permanent Residents)

- Current residency documents to support length of stay in the United States
- Government-issued identification
- Valid form W-9

b. Account Disclosures. The Membership and Account Agreement applies to International Accounts. The following items also apply.

c. Account Access. MSUFUCU reserves the right to limit services given to Nonresident Aliens and Resident Aliens as allowed by law and can restrict account services if residency documentation expires or is incomplete. Any checking account holder age 18 and older may request a debit card with their account. When your residency documents expire, any credit or debit cards may be canceled, even if the expiration date on the card has not passed. To avoid cancellation, you, as the account holder, can provide updated residency documentation and verification of your physical address before the document expires. If your debit card is canceled due to expired residency documentation, you may request an ATM card. If you are a citizen from a country sanctioned under the laws and regulations of the United States government, we may be required to restrict your account whenever you leave the United States, even if you are not returning to the sanctioned country. Additionally, we are not able to receive transactions originating from sanctioned countries, nor initiate transactions to individuals or entities subject to sanctions imposed by the United States.

d. Loans. Members who are Nonresident Aliens may apply for a Visa Credit Card, which would be secured by a share pledge. Loans secured by real estate are available to Resident Aliens. Evidence of residency status will be required for all loan applications. Each member must have a Social Security number (SSN), but does not have to be a U.S. citizen to qualify for a loan secured by real estate.

e. Special Account Instructions. Any changes to your residency status must be reported to us at the time of the change. Supporting documentation must also be provided and the appropriate tax form (W-8BEN or W-9) must be completed with the change. For Nonresident Aliens, in order to prevent withholding of tax on dividends paid to your account you must, whether you reside in the U.S. or not, complete, sign, and return a new W-8BEN form every three years (including supplying required supporting documentation). A new W-8BEN form must be completed with any change in circumstance, such as a change of address.

**13. Accounts for Other Entities.** MSUFUCU offers accounts for organizations, associations, sole proprietorships, corporations, limited liability companies, and partnerships that qualify for membership. These types of accounts are governed by separate account agreements specific to the type of entity and account. This Membership and Account Agreement does not apply to such accounts.

**14. Designation of an Account Agent.** An instruction given to MSUFUCU by an account owner that permits another person to transact business on specified accounts is a designation of an account agent, which MSUFUCU may or may not choose to recognize, at its sole discretion. MSUFUCU may require signed written verification of any such instruction. A designation does not give the agent any ownership rights in an account or voting privileges with MSUFUCU. We are not required to question the use or purpose of any transaction the agent makes. You waive any claim or cause of action against MSUFUCU for actions taken by MSUFUCU or the account agent pursuant to such instruction, except in the event of gross negligence or willful misconduct by MSUFUCU.

**15. Designation of Agent by Power of Attorney.** If you name a person to act as your agent regarding your account by a Power of Attorney (POA), we are only obligated to deal with such person if:

- a) We have a copy of the fully executed Power of Attorney and any other requested supporting documentation.
- b) We approve the form of appointment and supporting documentation at our sole discretion.
- c) We determine that the authority of the agent named in the POA (often referred to as an "attorney-in-fact") has not been withdrawn or limited.

We may limit account access if we at any time have reason to believe the POA is not valid. The POA does not give the agent any ownership rights in an account or voting privileges with MSUFUCU. We are not required to question the use or purpose of any transactions the agent makes. We reserve the right to require periodic verification that a POA is still valid and in effect on any account, and we may remove any Power of Attorney designation without supporting documentation. We are not required to recognize any POA.

**16. Silver Spartan.** Silver Spartan is a special package of benefits and services provided to members ages 55 years and older who have at least one of the following (you do not have to be retired):

- An MSUFUCU checking account
- Net direct deposit, such as net paycheck, retirement income check, Social Security, military retirement, etc.
- \$1,000 or more on deposit at MSUFUCU

**17. Requirements for Depositing Funds.** You may deposit funds into any account using any approved method consistent with the conditions set forth by MSUFUCU in the Truth in Savings and Funds Availability Disclosure.

**a. Endorsements.** Transfers, checks, drafts, and other items may be received for deposit into any of your accounts if they are payable to, or to the order of, one or more account owner(s), even if all payees fail to endorse them. If we choose, we may furnish missing endorsements of any owner. If a check, draft, or item that is payable to two or more owners is unclear as to whether it is made out to either or both, we may process that check, draft, or item as though it is payable to either person. When you deposit items into your account, you warrant that all prior endorsements are genuine. MSUFUCU reserves the right, but is not required, to verify all endorsements on third-party checks presented for payment or deposit. If an insurance check, a government check, or other check or draft specifies endorsement requirements on the back of the check or draft, we may require exact endorsement as stated on the item. We require that endorsements be made on the back of the share draft or check within one inch of the upper edge, but we may choose to receive items that have been endorsed outside of that space. However, you are liable for any loss we incur from any delay or processing error due to an incorrect endorsement or other marks made by you or any previous endorser. MSUFUCU may disregard information on any check other than the signature of the drawer and amount of the item and any magnetic encoded information. You agree that MSUFUCU does not fail to use ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

**b. Items Payable in a Fiduciary Capacity.** Checks made payable to an individual in a fiduciary capacity must be negotiated through an account for that fiduciary role. If a check payable to an individual in a fiduciary capacity is presented for negotiation through an account that does not list that fiduciary relationship, we may deny the request and require the check to be negotiated through an account specific to that fiduciary relationship. If a check payable to you in your fiduciary role is deposited into a nonfiduciary account, you waive any and all claims and causes of action against MSUFUCU related to the check and related deposit, and agree to indemnify and hold harmless MSUFUCU against any and all claims by third parties including the payor and intended Beneficiary(ies). This section also applies to checks or items payable to a probate estate or similar fiduciary account, even if a check or item does not reference a specific individual's fiduciary capacity.

**c. Collection of Items.** So long as we exercise reasonable care, we are not accountable for handling items for deposit or collection, as we serve only as your agent. We do not claim responsibility for a deposit made by mail or at an automated teller machine (ATM) until the item is in our possession. We are not accountable for any mishandling of an item by another party or its loss in transit. Each separate party will only be accountable for its own negligence. We reserve the right to send any item for collection. Items drawn on an institution not located in the United States are exclusively processed on a collection basis. You forgo the right to any notice of nonpayment, presentment, protest, or dishonor regarding the items we buy or acquire for credit or collection to your account.

**d. Final Payment.** Until we collect final payment, all items or Automated Clearing House (ACH) transfers posted to your account are provisional. We may charge your account the total amount of such items or ACH transfers and assess a return item fee to your account, as stated in the Service Fee Schedule, if final payment is not received. Any collection charges we incur may be charged to your account. We reserve the right to reject or return any item or funds transfer or to close your account.

**e. Direct Deposits.** We may accept direct deposits (e.g. payroll, retirement, Social Security or other government checks) or preapproved transfers from other accounts. You must approve each direct deposit or automatic transfer beforehand by completing a form provided by us or the organization from which you receive the payment. A separate form must be completed for each direct deposit or automatic transfer. To cancel or modify a direct deposit or automatic transfer, you must notify the organization from which the payment is originated. If applicable, you must notify MSUFUCU at least 30 days prior to any direct deposit or preapproved transfer if you wish to cancel or change the direct deposit or transfer. If you file for bankruptcy, all direct deposits that you have authorized will remain unchanged unless you cancel them. If it becomes mandatory that we reimburse the U.S. government for any payment made directly to your account, we may take the amount to be remunerated from any of your accounts, unless restricted by law.

**f. Crediting of Deposits.** Refer to our Truth in Savings and Funds Availability Disclosure for information regarding the crediting and availability of deposits.

## **18. Account Access.**

**a. Authorized Signature.** Your signature on your account application (including your electronic signature through an electronic application process) is required in order for you to access your account. We will not be legally responsible for refusing to accept any item or direction if we have any reason to believe it does not contain an authentic signature, whether original, facsimile, digital, or electronic. We reserve the right to accept or deny the use of any digital or electronic signature. You agree to the use of a facsimile of your signature, and that we may accept any draft with a facsimile signature that appears to match your signature on your account application, even if an unauthorized person made it. If you give your account information to a third party, you allow us to perform transactions originated by that person, even if you do not authorize a specific transaction. You waive all claims against MSUFUCU related to MSUFUCU's determination regarding the genuineness of signatures on all applications, forms, and other documents not signed in the presence of an MSUFUCU employee.

**b. Access Methods.** You may withdraw or transfer funds from your account(s) by any method we offer, (e.g. via ATM, ITM, Visa Debit Card, check, in person, by mail, MoneyLine, ComputerLine®, or MSUFUCU Mobile app) as applicable. We may refuse to honor any draft or check drawn on a form we do not supply, and you are liable for any loss we incur handling such an item. If any of your accounts become delinquent or overdrawn, we may restrict use of any and all access methods until such accounts are brought current.

**c. ACH and Wire Transfers.** You may originate or collect debits or credits to your account through ACH or wire transfers. We are not obligated to inform you at the time funds are received through an ACH or wire transfer. However, the transfer will be listed on your periodic statement. We may provisionally credit your account for an ACH transfer before we obtain final payment. We may reverse the provisional credit, or you will reimburse us for the amount credited to your account, if we do not obtain final payment. When you order a wire transfer, you may specify either the recipient or any financial institution by name, an account number, or identifying number. MSUFUCU, and other financial institutions, may accept the account number or identifying number as the true identification of the recipient, even if the name and financial institution do not agree with the information you provide us. Your signature may be required to complete a wire transfer from your account. Wire transfers are governed by Federal Reserve Regulation J if the transfer is cleared through the Federal Reserve. ACH transactions are governed by the National Automated Clearinghouse Association and applicable local ACH rules.

**d. Transactions by Mail.** Except as otherwise provided in this Membership and Account Agreement, MSUFUCU may permit you to make deposits, transfers, and withdrawals by mail. Transfers and withdrawals by mail will require a signed request by you. Such transactions will be posted to your account as of the day the transaction is processed at MSUFUCU.

**19. Account Rates and Fees.** We pay dividends and charge fees against your account as stated in our Current Dividends rate sheet and Service Fee Schedule. We may revise the Current Dividends rate sheet and Service Fee Schedule at any time, and we will inform you of those changes as required by law. You hereby agree that MSUFUCU may impose fees and charges for the account services provided to you and you agree to pay all such fees. You hereby acknowledge receipt of the Current Dividends rate sheet and Service Fee Schedule, which have been provided to you separately, but are incorporated herein by reference.

**20. Share Certificates.** Any Share Certificate we offer is bound by the terms of this Membership and Account Agreement, the Truth in Savings and Funds Availability Disclosure, the Certificate and IRA/HSA IMMA Disclosure, and the Current Dividends rate sheet and Service Fee Schedule for each account, the details of which are incorporated herein by reference.

**21. Withdrawal Limitations.** We allow withdrawals only if your account has an available balance sufficient to cover the entire amount of the withdrawal, or if you have set up an Overdraft Protection Plan or you have Courtesy Pay or Courtesy Pay for Debit. Drafts, other transfers, or payment orders drawn against an insufficient available balance may be subject to fees in accordance with our Service Fee Schedule, which is incorporated into this Membership and Account Agreement by reference. Fees may be assessed each time a transaction is presented, even if a transaction is rejected and presented for payment again. You agree your account may be charged a non-sufficient funds (NSF) fee when we return or reject transactions presented or submitted against your account that would exceed your available balance. You understand and agree a transaction you authorized (including, but not limited to, a check or electronic funds transfer) may be presented or submitted to us multiple times and you could be charged multiple NSF fees if we return or reject the transaction multiple times. If there are sufficient available funds to cover some, but not all, of your withdrawals, we may clear those withdrawals for which there are sufficient available funds in any order at our

discretion. All of your accounts are subject to MSUFCU's right to require advance notice of any withdrawal as provided in the Bylaws.

**22. Member's Responsibility for Checking Accounts.** "Checking" refers to the accounts listed in the "Checking Accounts" section of the Truth in Savings and Funds Availability Disclosure.

1. You must keep your checking records up to date so you are aware of what funds you have available in your checking account at all times. You must not write checks that exceed the amount available in your checking account unless the amount is available via the optional overdraft protection.
2. Your checking account should be reconciled each month. At your request, MSUFCU will assist you once in balancing your account without charging a fee.
3. A research fee will be charged for assistance in reconciling your account after the first occurrence.

**23. Overdrafts.** This section describes when you have an overdraft in your account and when MSUFCU will pay or reject the transaction that caused the overdraft.

"Overdraft" means the available balance in your account is insufficient to pay for a transaction at the time the transaction is presented to MSUFCU for payment. Should an overdraft occur and you have overdraft protection, we may honor the transaction and transfer the amount of the overdraft from your other accounts or, if applicable, a line of credit, Visa Credit Card and/or home equity plan up to your approved limit. Transfers from your savings account(s), will be made in increments of \$100.00 and deposited to your checking account to cover an overdraft. If funds are not available from these sources, then we may decline to authorize or pay for the transaction, or we may pay it using our Courtesy Pay or Courtesy Pay for Debit services.

Courtesy Pay applies when MSUFCU pays overdraft checks, Automatic Clearing House (ACH) transactions, recurring debit card transactions, and Bill Payment transactions. Courtesy Pay for Debit applies when we pay overdraft everyday debit card transactions. Subject to certain conditions and limitations, which are described below, Courtesy Pay will automatically apply to your checking account. You may request to remove Courtesy Pay from your account at any time. However, you must affirmatively consent before Courtesy Pay for Debit will apply to your account. Without your consent, we may not authorize everyday debit card transactions when there is an insufficient available balance in your account and the transactions will be declined.

If we pay an overdraft transaction, then we will charge you an Overdraft Fee as provided in MSUFCU's current Service Fee Schedule. If we decline to pay an overdraft transaction, such as when a check or ACH payment is returned unpaid, then we will charge a non-sufficient funds (NSF) fee.

Note: Transactions that are declined may be presented to MSUFCU for payment multiple times until paid. You may be charged an Overdraft Fee or NSF fee each time the transaction is presented for payment, even if the transaction was previously declined and a fee was previously charged. We do not determine whether and when a transaction will be presented or submitted for payment.

The following is important information regarding your account balances, how transactions are posted to your account, and when an Overdraft or NSF fee will be charged.

**a. Checking Account Balance.** Your checking account has two kinds of balances: the "balance" and the "available balance." Each can be checked when you review your account online, on your mobile application, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so you know how much money is in your account at any given time.

Your balance is the full amount of all deposits (even though some portion of a deposit may be on hold and may not be available to you) less payment transactions that have been presented and "posted" to your account (but not payment transactions that have been authorized and are pending). Thus, while the term "balance" may seem to indicate the amount in your account that is available for you to spend, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your balance. For example, if you have a \$50 balance, but you just wrote a check for \$40, then your balance is still shown as \$50 because it does not reflect the pending check transaction. At that point, you actually have \$50, but you have already spent \$40.

Your available balance is the amount of money in your account that is available for you to use. The available balance is the balance less things like holds placed on deposits and pending transactions (such as pending debit card purchases) that MSUFCU has authorized but that have not yet posted to your account. For example, assume you have a balance of \$50 and an available balance of \$50. If you were to use your debit card at a restaurant to buy lunch for \$20, that merchant could ask MSUFCU to authorize the payment. In that case, MSUFCU will reduce your available balance by \$20 because once we authorize the payment, we are obligated to pay it. Your balance would still be \$50 because this transaction has not yet been presented to us and posted to your account, but your available balance would be \$30 because you have committed to pay the restaurant \$20. When the restaurant presents its bill for payment (which could be several days later), MSUFCU will post the transaction to your account and your actual balance will be reduced by \$20, and both your balance and your available balance will be \$30.

Available balance at the time transactions are presented to MSUFCU and posted to your account (not when they are authorized) is used to determine when your account is overdrawn. The following example illustrates how this work:

Assume your balance and available balance are each \$100, and you use your debit card to pay a \$60 bill at a restaurant. As a result, your available balance will be reduced by \$60, so your available balance is now \$40. However, your balance is still \$100. Before the restaurant charge is presented to MSUFCU for posting, a check that you wrote for \$50 posts. Because you have only \$40 available (you have committed to pay the restaurant \$60), your account will be overdrawn by \$10, even though your balance was \$100 before the check posted and is still \$50 after the check posts. In this case, MSUFCU may pay the \$50 check, but you will be charged an Overdraft fee. That fee will be deducted from your account, further reducing the balance and available balance. Also, when the \$60 restaurant charge is presented to MSUFCU and posted to your account, your available balance is insufficient because of the intervening check, and you will be charged a fee for that transaction as well, even though your available balance was sufficient to pay it when it was authorized.

It is very important to understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you want to make. This is because your available balance may not reflect all the outstanding checks and automatic bill payments that you have authorized, or other outstanding transactions that have not been authorized or paid from your account.

In the example above, the outstanding check will not be reflected in your available balance until it is presented to MSUFCU and posted to your account.

In addition, your available balance may not reflect all of your debit card transactions. For example, if a merchant obtains MSUFCU's prior authorization but does not submit a one-time or everyday debit card transaction for payment within a time frame established by MSUFCU (usually within three business days of authorization but could be longer for certain types of debit card transactions), MSUFCU will release the authorization hold on the transaction. MSUFCU will also release the authorization hold when required by card network rules. If the authorization hold is released, then your available balance will not reflect this pending transaction until it has been presented to MSUFCU for payment and posted to your account.

**b. How Transactions Are Posted To Your Account.** There are 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 MSUFCU posts transactions to your account.

- Credits. Most deposits are added to your account when MSUFCU receives them. Credits to the account may include deposits such as cash, checks, ACH, and remittances. In some cases, deposited funds may not be made immediately available for use. Thus, the available balance may not reflect the most recent deposits into the account. For details on the availability of funds, see the Truth in Savings and Funds Availability Disclosure.

- **Debits.** There are several types of debit transactions. The most frequent types of debit transactions are described generally below. Keep in mind that there are many ways transactions are presented for posting to your account and MSUFCU is not necessarily in control of when transactions are received.
- **Checks.** Most checks are processed through the Federal Reserve System. MSUFCU receives data files of cashed checks from the Federal Reserve each business day. The checks drawn on your account are compiled from these data files and posted to your account each business day. MSUFCU processes these payments from low to high dollar value.
- **ACH Payments.** MSUFCU receives and processes multiple data files throughout each business day from the Federal Reserve including Automated Clearing House (ACH) transactions. These also include automatic bill payments you have signed up for. Each file received by MSUFCU is processed separately during each business day. Within each ACH data file, ACH debit transactions for your account are grouped together and posted in low to high dollar value.
- **Point of Sale (POS) Debit Card PIN Transactions.** These are transactions in which you use your debit card to make a purchase and you enter your personal identification number (PIN) at the time of the sale. These types of debit card purchases are similar to ATM withdrawals because money is usually deducted from your account immediately (reducing your balance and your available balance) at the time of the transaction. However, some POS PIN transactions are not presented for payment immediately; it depends on the merchant.
- **Point of Sale (POS) Signature Debit Card Transactions.** These are transactions in which you make a purchase with your debit card and you may be asked to sign for the purchase as you would with a credit card. These transactions include online purchases and other transactions where you are not asked to enter your PIN at the time of the transaction (you may not be asked to sign for some transactions but they still would be considered signature transactions). As described above, in these situations, the merchant may seek authorization for the payment. When that happens, MSUFCU generally places a temporary hold against the available funds in your account. We refer to this temporary hold as an "authorization hold," and the amount of the authorization hold will be subtracted from your available balance. Authorization holds are deducted from your available balance (but not your balance) as they are received by MSUFCU throughout each day. At some point after you sign for the transaction (or conduct the transaction for transactions without your signature), the transaction is processed by the merchant and presented to us for posting to your account. This can happen hours, or sometimes days, after you signed for or conducted the transaction, depending on the merchant and its processing company. These payment requests are presented in real time throughout the day and are posted to your account as they are received. Please note: The amount of an authorization hold may differ from the actual payment because the final transaction amount may not yet be known to the merchant when the authorization request is submitted. For example, if you use your card at a restaurant, a hold may be placed in the amount of the bill presented to you, but when the transaction posts it will include any tip that you may have added to the bill. This may also be the case where you use your debit card at gas stations and hotels and certain other retail establishments. MSUFCU cannot control how much a merchant asks us to authorize, or when a merchant submits a transaction for payment. The fact that we put an authorization hold on your available balance does not mean the authorization is set aside and made available to pay the specific transaction authorized. The hold is simply a reduction in your available balance based on the fact that we have authorized a transaction and are therefore obligated to pay the transaction when presented.

Debit card transactions can be recurring or nonrecurring. Recurring transactions occur when you use your debit card to set up a recurring monthly or periodic payment, such as for a gym membership or insurance payment. Nonrecurring transactions are one-time or everyday transactions that are authorized each time you use your debit card. Using your debit card at a restaurant is an example of a one-time or everyday (nonrecurring) transaction.

This is a general description of how certain types of transactions are posted. These practices may change and MSUFCU reserves the right to pay items in any order MSUFCU chooses as permitted by law.

MSUFCU may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one Overdraft fee and/or NSF fee if we pay or reject multiple transactions when your account is overdrawn.

**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.**

If you prefer not to have Courtesy Pay or if you have opted in and want to discontinue Courtesy Pay for Debit, please contact MSUFCU using the contact options provided in Section 54 of this Membership and Account Agreement. Courtesy Pay for Debit for everyday debit card transactions can also be canceled through ComputerLine.

c. Additional Terms. The Courtesy Pay and Courtesy Pay for Debit services are not loans or other credit products and require no application or credit approval process.

MSUFCU is not obligated to authorize transactions or pay any overdraft, even if you have Courtesy Pay. We will decide to pay overdrafts on a case-by-case basis, at our sole and absolute discretion. MSUFCU may refuse to pay any items without first notifying you, even though your account is in good standing and even if we have paid previous overdrafts.

For your overdrafts that are paid, you promise to immediately pay us all sums, including the fees and charges for this service advanced to you or any other person you permit to use your checking account and/or who causes an overdraft on your checking account.

You understand and agree that MSUFCU may transfer funds to your checking account from any of your other account(s) with MSUFCU (excluding IRA and HSA accounts) including account(s) upon which you are a joint owner, in an amount equal to the overdrawn check, item, or other transaction we may pay, and the related fees. In addition to any other rights that we may have, you agree that any deposits or 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 offset for any liabilities, obligations, or other amounts owed to us by you (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.

We may terminate or suspend Courtesy Pay services at any time without prior notice and we may adjust your Courtesy Pay limits based on criteria we establish. In no event shall any termination relieve you of your obligation to repay such sums already paid.

The following accounts are not eligible for Courtesy Pay or Courtesy Pay for Debit: Youth Accounts, Conservator Accounts, Custodial Accounts, Probate Estate Accounts, Credit Rebuild Checking Accounts, and accounts for Nonresident Aliens.

You agree we may use subsequent deposits, including direct deposits of Social Security or other government benefits, to cover overdrafts and overdraft fees. If you receive a direct deposit of your monthly Social Security payment into your checking account and do not want the Courtesy Pay service, you must inform MSUFCU in writing to stop MSUFCU from paying your overdrafts with these funds.

**24. Postdated and Stale Dated Checks.** Each negotiated check will be charged to the checking account as of the date of receipt by MSUFCU. MSUFCU will not be responsible for checks that are postdated if they are paid before the date of the instrument. MSUFCU is under no obligation to pay or refuse payment of a check on which the date is more than six months old.

**25. Chargebacks.** You are responsible for all checks you cash or deposit into your account. If we cash a check for you or accept it for deposit to your account and it is returned to us unpaid, we will charge any of your accounts for the amount of the unpaid check and assess a returned item fee, as stated in the Service Fee Schedule. We may, at our option, resubmit the returned check without notification to you.

**26. Stop Payment Orders.**

a. Stop Payment Requests. You may ask us to stop payment on any check drawn on your account. To be effective, you must provide the account number, check

number, and the exact amount of the check. The stop payment will be instituted only if MSUFCU receives the request in time to implement the order. You acknowledge that accurate information is required for MSUFCU's computer system to distinguish the check. We are not liable for failing to stop payment on a check if you provide inaccurate or incomplete information to us. If we recredit your account after honoring a check over a legitimate and timely stop payment request, you promise to sign a statement detailing the disagreement with the payee, to assign to us all of your rights against the payee or other holders of the check and to aid us in any legal proceedings.

**b. Duration of Order.** A stop payment request is valid for six months and may be renewed upon request for an additional six months. We are not obligated to inform you when a stop payment request expires.

**c. Liability.** Fees for stop payment requests are stated in the Service Fee Schedule. Requests for stop payments on cashier's checks, MSUFCU checks, or any check or payment guaranteed by us are not permitted. Although a stop payment request has been honored, you may continue to be obligated to pay any holder of the item, including MSUFCU. You agree to indemnify and hold MSUFCU harmless from all costs, including attorney's fees, damages, or claims due to our stopping payment of an item, including claims of any multiple party account owner, payee, or endorser in failing to stop payment on an item as a consequence of inaccurate information provided by you.

#### **27. MSUFCU Liability.**

We will be responsible for your losses or damages, up to the amount of a transaction, if we fail to execute a transaction properly by the use of ordinary care, unless otherwise provided by law. We will not be liable if: (1) the available balance in your account is insufficient for the transaction; (2) situations of which we have no control prevent us from completing the transaction; (3) you or another financial institution's negligence causes the loss; or (4) your account is subject to a legal proceeding or other claim. We are not responsible for consequential damages, except liability, for wrongly rejecting payment of items. 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 Membership and Account Agreement. Any conflict between oral representations made by you or MSUFCU employees and any written form will be resolved by reference to this Membership and Account Agreement and applicable written form. We will be deemed to have exercised ordinary care if our actions or nonactions follow applicable state or federal law, Federal Reserve regulations and operating letters, clearinghouse rules, and general banking practices. Ordinary care shall also be measured by the standard of the reasonableness of policies and procedures established for the transaction involved. Mere clerical error, computer malfunction, inadvertence, or oversight without malice or an honest mistake of judgment shall not be considered a failure to perform such obligations or a failure to exercise ordinary care, and in no case shall be deemed wrongful.

#### **28. Contractual Right of Setoff.**

Except to the extent prohibited by law, you agree that we have the right to apply funds in any account that you maintain with us, whether the account is in your name alone or in your name and another or others, to the payment of any obligations, individual or joint, you owe to us now or at any time hereafter. This setoff provision applies to all funds in your account, including Social Security funds. This setoff provision does not apply to funds that you maintain with us in any IRA, HSA, or CESA, or other account that would lose special tax treatment under state or federal law if given as security. This setoff provision also does not apply to a debt that is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest). We may set off the funds in any account you maintain, except as limited above, in order to pay off the remaining amount you owe us, including any costs of collection or reasonable attorney's fees we incur by enforcing our rights or responding to third party claims related to your account(s). If we do not enforce our right of setoff, we do not waive our rights to enforce our contractual right or collect any amounts owed at a later date. You agree to hold us harmless from any claim arising as a result of our exercise of our right to setoff.

**29. Statutory Lien.** Please take notice that MSUFCU has the power, pursuant to 12 U.S.C § 1757(11), to impress and enforce a statutory lien upon any shares and dividends you now or may later have on deposit at MSUFCU to the extent of any loan made and any charges payable. MSUFCU hereby does impress that lien and may enforce that lien without further notice to you. This statutory lien does not apply to funds that you maintain with us in any IRA, HSA, or CESA, or other account that would lose special tax treatment under state or federal law. MSUFCU may enforce its lien against any account you maintain, except as limited above, in order to pay off the remaining amount you owe us, including any costs of collection or reasonable attorney's fees we incur by enforcing our rights or responding to third party claims related to your account(s). If we do not enforce our lien, we do not waive our rights to enforce our lien or collect any amounts owed at a later date. You agree to hold us harmless from any claim arising as a result of our exercise of our right to impress and enforce a statutory lien.

**30. Security Interest.** At the time of account opening and at the time of the addition of any joint owner, you grant to MSUFCU a security interest in all your property in possession of or under the control of MSUFCU at that time and at any time thereafter, as security for payment of any and all of your obligations to MSUFCU, except debts secured by your primary residence. Your property includes, but is not limited to, the funds in any account you have with MSUFCU. After your default in payment of any obligation to MSUFCU, MSUFCU may apply your property to the defaulted obligation. MSUFCU may enforce its security interest against any account you maintain in order to pay off the remaining amount you owe us, including any costs of collection or reasonable attorney's fees we incur by enforcing our rights or responding to third party claims related to your account(s). If we do not enforce the security interest, we do not waive our rights to enforce the security interest or collect any amounts owed at a later date. You agree to hold us harmless from any claim arising as a result of MSUFCU's security interest or the enforcement of that security interest.

**31. Liability for Payment of Collateralized Loans.** You are responsible for paying any remaining balance owed on a collateralized loan after a payment from casualty insurance and/or Guaranteed Asset Protection (GAP) has been applied.

**32. Legal Proceedings.** If legal proceedings are brought against your account, we may pay funds as ordered by the court or withhold payments until the disagreement is settled. We may charge against your account any expenses or legal fees we incur in connection with such legal proceedings, unless restricted by applicable law. Any legal process brought against your account is subject to our statutory lien and security interest.

**33. Account Information.** If you request, we will provide you with the name and address of each company from which we receive a credit report concerning your account. We agree not to give any account information to third parties, except for those situations described in our Privacy Policy. Refer to the Privacy Policy for detailed descriptions of our policy and procedures regarding your personal information.

**34. Consent to Contact.** You agree that we may contact you using your contact information listed in our records, including your email address and phone number(s). You authorize MSUFCU and agents performing services on our behalf to contact you using any phone number(s) (including any wireless, mobile or VOIP number) and email addresses you have previously provided to MSUFCU or that you may subsequently provide to MSUFCU. You agree MSUFCU may contact you on a mobile, wireless, cell phone or any other device even if you are charged for it by a communications service provider. You also assert that you are the subscriber/owner of the device's account or have been granted the authority by the subscriber/owner of such device to provide MSUFCU with the number and the owner consents to such contact. Additionally, you expressly consent to receive autodialed or prerecorded calls, artificial voice messages, direct-to-voicemail messages, messages by adaptive signaling technology, DirectDROP Voicemail (DDVM), text messages, and any other electronic correspondence from MSUFCU or any affiliates or agents performing services on our behalf: (1) to notify you about any of your accounts, loans, collateral, applications, services, or products; (2) to provide you with transaction notifications, fraud alerts, and other messages; (3) to collect a debt or other obligation; or (4) as otherwise deemed necessary by MSUFCU to service your accounts, loans, collateral, applications, services, or other products.

**35. Consent to Monitoring and Recording.** You expressly consent in advance to our monitoring and recording of conversations and other communications with you. Your consent applies to our monitoring and recording of phone conversations, electronic messages, electronic records, video chat and video teller interactions, video recordings, or other data transmissions between you and us regarding your accounts, loans, or other products and services offered by us (individually and collectively referred to as "recordings"). Your consent applies regardless of whether you or we initiated the contact. Unless required by applicable law, you agree we can rely on your consent to monitor and record our communications provided herein and we are not obligated to notify you of each time prior to our recording. We monitor and record conversations and communications for quality control, fraud prevention, training, and other purposes. You acknowledge and agree that all recordings are solely our property. We have no obligation to provide copies of recordings to you.



**36. Social Media Information.** You understand that we may elect from time to time to use MSUFCU and third-party social media tools and sources to acquire information relevant to MSUFCU and your accounts, loans, products, and services. You acknowledge and agree there is no claim of privacy or privilege regarding information shared or discernible from such use or sharing and our use of such information does not violate your privacy or other rights. If you have consented to communicating with us via social media, you agree we may use any social media addresses you establish from time to time.

**37. Notices.**

**a. Name and Address Change.** You are required to notify us when you have a name or address change. MSUFCU is only obligated to attempt to correspond with you at the most current mailing address we have on file for your account. If you have elected to receive electronic notices in accordance with the Electronic Correspondence Disclosure and Agreement, we are only obligated to correspond with you at the most current email address we have on file for your account. Address changes may be accepted verbally or via the internet. In some cases, we may require an address change to be in writing and include your signature. Name changes require completion of a form with a signature. In some cases and at our sole discretion, we may accept but are not obligated to accept changes of address through the U.S. Postal Service (USPS) to update your address of record on file with us based on what they retain in their National Change of Address (NCOA) database.

**b. Notice of Amendments.** We may revise any of the terms of this Membership and Account Agreement at any time, unless restricted by applicable law. You will be informed, and may be required by law to be informed, of any revisions to account conditions, rates, and fees. We may waive any conditions in this Membership and Account Agreement, but by doing so, we are not prohibited from enforcing such terms in the future.

**c. Effect of Notice.** Any written notification you provide to us is not valid until we receive it. A written notice from us to you is valid when it is placed in the U.S. mail, with postage paid and addressed to you at the most current address we have on file for your account. A notice that is provided electronically is valid when the notice is sent to the most current email address we have on file for your account. On multiple-party accounts, notification sent to any account owner is recognized as notification to all owners.

**38. Account Statements.**

**a. Contents.** We will provide you with a periodic statement detailing all transactions and activity posted to your account within the statement period, as required by law. You may elect to receive your periodic statement electronically. We will send you an email notice informing you that your eStatement is ready to view. For multiple party accounts, we are only obligated to send one statement. For checking accounts, you acknowledge that we assume ownership of your original check as soon as the item has been physically presented to us, and we are not required to return the check to you. However, you may request copies of a check at any time. A fee may be assessed for check copies as stated in the Service Fee Schedule. Additional statements may be requested from MSUFCU, and a fee may be charged for additional statements as stated in the Service Fee Schedule.

**b. Account Owner Inspection.** It is your responsibility to inspect each statement and inform us of any discrepancies between your records and the statement. You are in the best position to detect any unauthorized signature. You have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to MSUFCU within 60 days of the mailing date (or notification date for eStatements) of the earliest statement containing those items. We are not liable for any forged or altered items such that the fraud or alteration could not be detected by a reasonable financial institution.

**c. Notice to MSUFCU.** Your obligation to review your statement and inform us of any discrepancies in a timely manner is not changed because we retain your check. We will assume all information contained in your statement is accurate, unless you notify us of discrepancies within the time limit set forth in the above paragraph. You are obligated to inform us when you have not received a statement (or notice of eStatement availability) within 14 days of when you usually receive it.

**d. Electronic Funds Transfers.** Please refer to the Electronic Funds Transfer Agreement and Disclosure to determine your notification obligations in the event of unauthorized electronic fund transfers or other errors in connection with such transfers.

**39. Dormant Account.** We will consider an account to be dormant if there are no deposits or withdrawals for a period of 18 months. Exceptions are loan accounts, Certificates, and IRAs/ HSAs. When an account becomes dormant, we will charge a monthly dormant account fee as stated in the Service Fee Schedule, unless restricted by law. The fee will be charged until the account becomes active or there are no funds available to pay the fee. You authorize us to transfer funds from other accounts of yours to cover any service fees we may impose upon the account deemed dormant. To the extent allowed by law, we reserve the right to transfer account funds to an account payable and suspend any further account statements. We will attempt to notify you prior to your account becoming dormant. If a deposit or withdrawal has not been posted to your account for 36 consecutive months (or other time frame based on applicable state law), and we have not had any other contact with you, we will consider your account abandoned. We will report and disburse the funds from an abandoned account in accordance with applicable state law. Dormant accounts receive quarterly account statements.

**40. Member-Selected Content.** We reserve the right to deny the use of member-selected content, including but not limited to: account names, codewords, comments on any fund transfers, and usernames, if we determine at our sole discretion the member-selected content is inappropriate, offensive, threatening, obscene, or objectionable. We do not have an obligation to monitor, edit, or remove any content, but may do so without issuing any warnings. We will notify you if your selected content is denied, and reserve the right to allow you to select alternate content as a replacement, or restrict or deny your ability to select your own content in the future.

**41. Member Interactions.** We believe that all members and employees should be able to conduct business in a professional environment without fear of harassing, destructive, or abusive conduct. We may restrict or suspend access to any or all products or services, except the ability of the member to attend, participate, and vote in annual and special meetings and maintain a savings account, if any account owner engages in conduct that is abusive to MSUFCU, its employees and/or its membership. This expectation also applies to agents, joint owners, and authorized users of accounts, products, and services. Such abusive conduct includes but is not limited to: actions that abuse MSUFCU's products or services; abusive, discriminatory, disruptive or threatening behavior; and suspicious, fraudulent, illegal, dishonest, or deceptive activities, including impersonation of another person through any communication channel.

Any verbal, written, or nonverbal communication (such as body language) must follow appropriate conduct expectations. If you post content or publish material on any MSUFCU website or forum, we do not have an obligation to monitor or edit or remove any content, but may do so without issuing any warnings. We reserve the right to review any recorded interactions, and determine at our sole discretion whether inappropriate conduct has occurred.

Users of MSUFCU's video platforms must behave in a manner consistent with being present in a physical branch. This includes, but is not limited to: wearing appropriate dress, appropriate verbal or nonverbal communication and appropriate background images and sound. Video platforms may not be used when driving or operating heavy machinery, and all risks, injury, and harm associated with doing so are not the responsibility of MSUFCU. You agree to only use a secure internet connection in a location where your privacy will be protected. We reserve the right to terminate the video session or restrict future video services if you do not meet these requirements or if inappropriate conduct has occurred.

We will notify you of our decision to limit services to you if you are found not following conduct expectations.

**42. Checks.** If you choose to use checks from a direct mail company or source other than MSUFCU, you will be liable for charges or damages resulting from checks not reading properly on automated equipment or being imprinted with the wrong information. If you have a problem with checks you do not receive from our check printing vendor or us, it will be your responsibility to resolve such problems, and will not be the responsibility of MSUFCU. Checks may be purchased from us or our vendor for a fee. Records of original checks are stored electronically. Copies of such checks are available for a fee. Images of recently posted canceled checks are available on ComputerLine. There is no charge for accessing canceled checks through ComputerLine.

**43. Federal Deposit Insurance.** Your savings in MSUFCU are insured by the National Credit Union Share Insurance Fund, which is administered by the National Credit Union Administration, an agency of the U.S. government.

**44. Termination of Account.** We may close your account at any time without informing you, or may order you to close your account and open a new account if: (1) you wish to change account owners or approved signers; (2) we have been informed of a fraud or forgery perpetrated against your account; (3) there is a disagreement as to who owns the account or the funds in the account; (4) any checks are lost or stolen; (5) there is an excessive amount of unhonored items that are not included under an overdraft protection account; (6) any information has been falsified or there has been any other misuse of your account; (7) we objectively conclude the account will cause a loss to us; or (8) you do not maintain one regular account as set forth in the MSUFCU Bylaws. We are not required to honor any check, withdrawal, or other item following the closure of your account. However, you are required to reimburse us if we choose to honor an item after your account has been closed.

**45. Termination of Membership.** A member may terminate their membership by withdrawing all of the funds in their account(s) (including their membership share). In some cases, we may require a request to terminate membership to be in writing with the member's signature or the signature of all account owners. Any account owner or other authorized individual may withdraw all of the funds in the account(s) (including your membership share) and thereby terminate your membership. You acknowledge that any withdrawal or reduction of your membership share means that your membership will terminate unless you replenish your membership share within the time frame stated in MSUFCU Bylaws. MSUFCU may suspend services to you or expel you from membership for any reason as permitted by law. We may adopt and amend from time to time, at our sole discretion, a limitation of services policy outlining your rights and obligations, our guidelines for suspending or limiting services, and the expulsion process.

**46. Death of an Account Owner.** You irrevocably waive the right to make a testamentary disposition of any account with MSUFCU now or in the future. You agree that upon your death, your account will be payable in accordance with any existing account designations and the terms of the Membership and Account Agreement. Upon the death of a primary account owner, funds in the account shall be payable to surviving joint account owners or any surviving POD beneficiaries in accordance with this Membership and Account Agreement and Michigan law. If surviving joint account owners exist, they can elect to receive the funds in the form of a check or establish their own membership with us and have the funds deposited to their separate account. We may honor checks or accept payments or transfers drawn by you until 10 days after we learn of your death. We require any person claiming an interest in the deceased member's accounts to provide us proof of their right to the account and may require that person to indemnify us from any losses incurred as a result of honoring that claim. The conditions of this Membership and Account Agreement shall be binding upon any heirs, personal representatives, and successors of any account owner after their death.

**47. Severability.** If a court refuses to recognize any segment of this Membership and Account Agreement as valid or enforceable, the remainder of this Membership and Account Agreement and other MSUFCU disclosures shall remain valid and enforceable, except as stated in the Arbitration Agreement, and will be in complete effect. To avoid any doubt, the severability and enforceability of the Arbitration Agreement (including the Class Action Waiver) is addressed in and controlled by the explicit language in the Arbitration Agreement.

**48. Enforcement and Credit Reporting.** If you fail to abide by the terms, provisions, and conditions set forth in this Membership and Account Agreement, you are responsible to us for any loss, cost, or expense we incur resulting from your lack of compliance. To recoup any such loss, cost, or expense, you authorize us to deduct such amounts from funds in your account without prior notice to you. If we begin legal proceedings to collect any amount owed to us or to enforce this Membership and Account Agreement, we shall be entitled to recover reasonable attorney's fees, costs, and expenses, including fees incurred in connection with any appeal, bankruptcy proceedings, and postjudgment collection action. **We may report information about your accounts (including loans) to credit bureaus. Late payments, missed payments, or other defaults on your accounts may be reflected in your credit report.** If you believe that information we may report or have reported to a credit bureau is inaccurate or incomplete, please notify us in writing at the address listed in this Membership and Account Agreement. Include your name, address, contact telephone number, and account number, and identify the information you believe is incorrect.

**49. Indemnity.** We are not authorized to advise you as to the legalities of establishing any accounts and therefore cannot counsel you as to which account arrangement most appropriately meets your specific requirements. You or any surviving beneficiary or owner agree(s) to indemnify and hold MSUFCU harmless from any claim or liability asserted against MSUFCU as a result of the disposition of funds in reliance on this Membership and Account Agreement and any account designations. We may require any account changes you wish to make be specified in writing or on an account change form, including adding or terminating an account or service. We may also require an account change form to be signed by all account owners. We may decline to abide by your directions, insist that you indemnify us, or request that you post a bond or alternative protection, if such directions make us susceptible to claims, lawsuits, expenses, liabilities, or damages, either directly or indirectly. If, by following your directions, we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any such losses, expenses, liabilities, or damages, including actual attorney's fees.

**50. Agreement.** The Membership and Account Agreement shall be effective as of the revision date, and except as otherwise expressly provided in this Membership and Account Agreement, governs all of your accounts with us. By signing your account application (including your electronic signature through an electronic application process), making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Membership and Account Agreement. This Membership and Account Agreement shall supersede all previous agreements for such accounts.

**51. Amendment.** We may change any items in this Membership and Account 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 notice required by law. You may close the account if you do not agree to changes we make. If you maintain your account and continue to use it after the effective date of the change, you will be deemed to have agreed to the changes.

**52. Arbitration Agreement.** You and MSUFCU agree to attempt to informally settle any and all disputes arising out of, affecting, or relating to your accounts, or the products or services we have provided, or will provide, or have offered to provide to you, and/or any aspect of your relationship with MSUFCU (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 (defined below) of this Arbitration and Waiver of Class Action provision ("Arbitration Agreement"), even if the Claims arise out of, affect or relate to conduct that occurred prior to 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 obtained on the AAA website free of charge at [www.adr.org](http://www.adr.org); or, a copy of the Rules can be obtained upon request to MSUFCU's Legal department. 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 OR A COMPARABLE COURT OF LIMITED JURISDICTION, SO LONG AS THE CLAIM REMAINS IN SMALL CLAIMS COURT).** This Arbitration Agreement shall be interpreted and enforced in accordance 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. This 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 on your behalf. This Arbitration Agreement shall not apply to claims that are initiated in or transferred to small claims court. This Arbitration Agreement does not apply to: (1) any consumer credit transaction secured by a dwelling (including a home equity line of credit secured by your principal dwelling); or (2) to any consumer credit obtained while you were a covered borrower as defined by the Military Lending Act.

**1. Selection of Arbitrator.** 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 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 for the resolution of the Claims.

**2. Effective Date.** This Arbitration Agreement is effective when the account is opened.

**3. Arbitration Proceedings.** The arbitration shall be conducted within 50 miles of your residence at the time the arbitration is commenced, if within the continental United States. Any claims and defenses that can be asserted in court can be asserted in the arbitration. The arbitrator shall be entitled to award the same remedies that a court can award, including any kind of injunctive relief that could be awarded by a court. 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 judgment 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. MSUFCU 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 you prevail on your Claim in the arbitration, in which case, we will pay your attorneys' fees. Conversely, if MSUFCU prevails, then you will not be required to pay its attorneys' fees and costs. Nothing contained in this Arbitration Agreement shall prevent either you or us from applying to any court of competent jurisdiction for emergency provisional relief, such as a temporary restraining order, a temporary protective order, an attachment or any other pre-judgment remedies.

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.

**4. 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.

**5. 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 fully enforceable.

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.

**53. Governing Law and Limitation on Period to File Claims.** The Account Agreements and Disclosures shall be governed and construed under applicable federal laws and regulations and applicable laws of the State of Michigan. Subject to the Arbitration Agreement in section 52, you consent and agree that any dispute regarding the Account Agreements and Disclosures shall be subject to the exclusive jurisdiction and venue of the appropriate state court in Clinton County, Michigan, or the Federal District Court for the Western District of Michigan. Notwithstanding the foregoing or any other provision of the Account Agreements and Disclosures, the Federal Arbitration Act (Title 9 of the US Code) governs the interpretation and enforcement of the Arbitration Agreement. All claims and causes of action against MSUFCU, including without limitation all claims and causes of action arising out of or related to the Account Agreements and Disclosures, any other agreement with MSUFCU, and/or any account or loan relationship with MSUFCU, must be filed within two years after such claim or cause of action accrued or be forever barred. You agree this limitation constitutes an express waiver of any rights under any applicable statute of limitations which would otherwise afford additional time for such a claim.

**54. Contact the Credit Union.**

**Michigan State University Federal Credit Union**  
3777 West Road  
East Lansing, MI 48823  
517-333-2424 • 800-678-4968  
[msufcu.org](http://msufcu.org)