



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 Agreement, the words “we,” “us,” and “our” refer to MSUFCU. The words “you” and “yours” mean any member of MSUFCU.

Your account plan(s) and the characteristics of your ownership rights are specified in your Membership Agreement. Your signature(s) on the Membership Agreement 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 Disclosure, the Fee Schedule, the Rate Schedule, any Account Receipt included with this Agreement, the MSUFCU Bylaws, Policies and Procedures, and any changes made periodically to these terms and conditions, which collectively dictate your membership and accounts.

1. Membership Eligibility. To become a member of MSUFCU, you must satisfy the membership requirements, including the opening and maintenance of at least one regular share account as set forth in the MSUFCU Bylaws. You authorize us to verify your membership qualifications or any other products or services you apply for 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 us with 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 your W-8BEN form is 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 ownership of the account passes to the decedent’s estate, Payable on Death (POD) beneficiary/payee, 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 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. 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. Each owner guarantees the signature of any other owner(s). Each owner appoints the other owner to be his/her irrevocable attorney. 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 savings. We are not obligated to inform any owner(s) about any transaction, except as required by law. We require signatures from all owners authorizing any material changes to the account that are requested by one or more owners. 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 one owner of a multiple party account dies, all rights and available funds in the account fall to the remaining account owner(s), unless otherwise authorized in the Membership Agreement. If a surviving owner does not exist, the last deceased owner’s interest will go to his or her estate. If a surviving owner does exist, his or her share of the account is subject to any financial obligations, security interest, or pledge authorized by the decedent, even if the surviving owner did not agree to it.

5. Accounts for Minors. Any account opened with a minor designated as the primary owner shall be treated as if the minor is of full age of majority under the bylaws of MSUFCU. Any joint owner shall be jointly and individually liable to us for any returned item, overdraft, or unpaid transaction on the minor’s account. Transactions may be handled and dividends paid without approval from the co-owner of legal age. A parent or guardian is not permitted to access the minor’s account unless he or she is the joint owner on the account. We are not obligated to question the use or purpose of any transaction.

6. Uniform Transfers to Minors Account. A Uniform Transfers to Minors Account (UTMA) is set up by a member, who shall be recognized as the custodian of the account, who deposits funds into the account as a gift to a minor. The minor is the recipient of the custodial funds in the account. The custodian holds proprietary rights and control of the account for the sole privilege and advantage of the minor and until the minor reaches the age of majority. The custodian is the only party authorized to contribute or withdraw funds or close the account, unless otherwise ordered by the court. We are not required to question the use or purpose of any transaction. We may delay any withdrawals from the account if the custodian dies, until we have been instructed by any person permitted by law to withdraw funds, or a court orders us to make a withdrawal.

7. Payable on Death Account. A Payable on Death (POD) Account is established in order to designate any surviving POD beneficiary/payee of a single or multiple party account, excluding Individual Retirement Accounts (IRAs). If more than one POD or beneficiary(ies)/payee(s) is named, the ownership of account benefits passes to all such beneficiaries/payees, without rights of survivorship. Designation of a beneficiary/payee for IRAs and Health Savings Accounts (HSAs) is separate from, and does not apply to, POD designations. We are not required to inform the beneficiary/payee of the establishment of any such account or his or her vesting interest in any account, unless required by law. If no person designated as a POD beneficiary/ payee is living at the time of the death of the last surviving owner, the account shall be considered part of the owner’s estate.

8. Accounts for Trusts and Other Entities. MSUFCU offers accounts for trusts and other entities such as estates, 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 Agreement does not apply to such accounts.

9. Designation of an Account Agent. An instruction given to MSUFCU by an account owner that permits another person to transact business on specified accounts is a designation of an account agent. A designation does not give the agent any ownership rights in an account or voting privileges with MSUFCU. We are not required to question the use or purpose of any transaction the agent makes.

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

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

11. Requirements for Depositing Funds. You may deposit funds into any account using any approved method consistent with the conditions set forth by MSUFCU in the Truth-in-Savings 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. MSUFCU reserves the right to verify all endorsements on third-party checks presented for payment or deposit either in person or by comparison with Member Account Agreements. 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. MSUFCU 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 MSUFCU does not fail to use ordinary care in paying an item solely because its procedures do not provide for sight examination of items.

b. 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.

c. 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 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.

d. Direct Deposits. We may accept direct deposits (e.g. payroll checks, retirement checks, 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 MSUFCU 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.

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

12. Account Access.

a. Authorized Signature. Your signature on the Membership Agreement permits you to access your account. We will not be responsible for refusing to accept any item or direction if we think it does not contain an authentic 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 the Membership and 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.

b. Access Methods. You may withdraw or transfer funds from your account(s) by any method we offer, (e.g. via ATM, Visa Debit Card, check, in person, by mail, MoneyLine, ComputerLine, or MSUFCU Mobile app) as applicable. We may refuse to honor any draft drawn on a form we do not supply, and you are liable for any loss we incur handling such an item. We have the right to examine and authorize any form of power of attorney, and we may limit account withdrawals or transfers. We are not required to recognize any power of attorney. 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. MSUFCU, 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 Agreement, MSUFCU 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 MSUFCU.

13. Account Rates and Fees. We pay dividends and charge fees against your account as stated in our Current Dividend Rate Sheet and Fee Schedule. We may revise the Current Dividend Rate Sheet and Fee Schedule at any time, and we will inform you of those changes as required by law. You hereby agree that MSUFCU may impose fees and charges for the deposit account services provided to you and you agree to pay all such fees. You hereby acknowledge receipt of the current Rate and Fee Schedules, which have been provided to you separately.

14. Share Certificates. Any Share Certificate we offer is bound by the terms of this Membership and Account Agreement, the Truth-in-Savings Disclosure, and the Rate and Fee Schedules for each account, the details of which are incorporated herein by reference.

15. Transaction Limitations.

a. 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 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 an NSF (non-sufficient funds) 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 MSUFUCU's right to require advance notice of any withdrawal as provided in the Bylaws.

b. Regulation D Transfer Limitations. For Spartan Saver, No Dividend Savings, Holiday/Vacation, Insured Money Management, and Certificate accounts, if applicable, you may not make more than six withdrawals or transfers per month or any combination of such withdrawals or transfers to another MSUFUCU account of yours or to a third party by means of a preauthorized automatic, computer, or mobile app transfer; check, phone order or instruction; or similar order to a third party.

A preapproved transfer includes any agreement with us to pay a third party from your account upon written request, including requests obtained through ACH. You are allowed unrestricted transfers between any of your accounts, payments to any MSUFUCU loan account, and withdrawals from your account, as long as the transfers are made in person, by mail, or at an ATM. We reserve the right to reject or return any transfer that surpasses these limitations and may charge fees, as stated in the Fee Schedule, and place a hold on or terminate your account.

16. Member's Responsibility for Checking Accounts. "Checking" refers to Classic Checking, Totally Green Checking, Money Market Checking, Rebuild Checking, and No Dividend Checking accounts.

1. You must keep your checking records up to date so that you are aware of what funds you have in your checking account at all times. You must not write checks that exceed the amount in your checking account unless the amount is available via the optional overdraft protection.
2. By following a very simple procedure, the checking account should be reconciled each month. A reconciliation form is provided on the back of each statement for your convenience. If necessary, the Credit Union will assist you ONCE in balancing your account. Questions on specific items should be directed to the Specialty and Support Services Department.
3. There will be a fee charged for assistance to reconcile your account after the first occurrence.

17. Overdrafts.

This section describes when you have an overdraft in your account and when MSUFUCU 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 MSUFUCU for payment. Should an overdraft occur and you have overdraft protection, then we may honor the transaction and transfer the amount of the overdraft from your other share 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 MSUFUCU pays overdraft checks, Automatic Clearing House (ACH) transactions, recurring debit card transactions, and bill pay 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 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 MSUFUCU'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 MSUFUCU 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. Your Checking Account Balance. Your checking account has two kinds of balances: the "balance" and the "available balance." Both can be checked when you review your account online, on your mobile banking application, at an ATM, by phone, or at a branch. It is important to understand how the two balances work so that 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 as though the number you see is 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 but 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 MSUFUCU 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, then that merchant could ask MSUFUCU to authorize the payment. In that case, MSUFUCU 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), MSUFUCU 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 MSUFUCU 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 MSUFUCU 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, MSUFUCU 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 MSUFUCU 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 MSUFUCU 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 three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), MSUFCU must release the authorization hold on the transaction. 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 PIN number 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 (thus 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 are asked to sign for the purchase as you would with a credit card. 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, 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 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 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, then please contact MSUFCU using the contact options provided in Section 43 of this agreement. Courtesy Pay for Debit for 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, in 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 has 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 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 off-set 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.

Youth accounts and Credit Rebuild Checking accounts are not eligible for Courtesy Pay or Courtesy Pay Plus.

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.

18. Postdated and Stale Dated Checks. We may honor any draft without consideration of the date. We will honor your written request not to pay a postdated check until the date on the check, but only if such written request is received prior to the check being presented to MSUFCU. We are not required to honor any check drawn on your account that is presented more than six months beyond the date of the check.

19. 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. We may, at our option, resubmit the returned check without notification to you.

20. 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 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.

21. 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 Account Agreement. Any conflict between oral representations made by you or MSUFCU employees and any written form will be resolved by reference to this 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.

22. Lien and Offset. You may not withdraw funds that are pledged as required security on loans without the written approval of a loan officer, except to the extent that such funds exceed your total primary and contingent liability to MSUFCU. If you are indebted to us as a borrower, guarantor, endorser, or otherwise, we have a lien on funds in any account (except IRAs/ HSAs) in which you are a primary or joint owner, despite the source of those funds, unless restricted by law. We may access those funds in order to pay off the remaining amount you owe us, including any costs or attorney's fees incurred by MSUFCU in enforcing its rights. If we do not enforce our lien, we do not waive our right to enforce our lien at a later date. Furthermore, you agree that MSUFCU has security interest in all funds in your account regardless of their source, and we may access your account funds to repay any debt or amount now, or in the future, owed to MSUFCU, including costs or attorney's fees incurred by MSUFCU in enforcing its rights, except for debts secured by your primary residence, unless restricted by law. All accounts are nonassignable and nontransferable to third parties. You agree to hold us harmless from any claim arising as a result of our exercise of our right to set off.

23. 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 lien and security interest.

24. 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 Notice and Disclosure. Refer to the MSUFCU Privacy Notice for detailed descriptions of our policy and procedures regarding your personal information.

25. Consent to Contact. You agree that we may contact you using your contact information listed in our records, including your email address and telephone 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. Additionally, you expressly consent to receive autodialed or prerecorded calls, texts messages and electronic correspondence from MSUFCU or any affiliates or agents performing services on our behalf. You consent to receiving calls, text messages and electronic correspondence: (1) to notify you about any of your accounts, loans, services, or products at MSUFCU; (2) to provide you with transaction notifications, fraud alerts, and other similar messages; (3) to collect a debt or other obligation; or (4) as otherwise necessary to service your accounts, loans, services, or other products.

26. Consent to Monitoring and Recording. You provide your express consent to our monitoring and recording of our conversations and other communications with you. Your consent applies to our monitoring and recording of telephone conversations, electronic messages, electronic records, or other data transmissions between you and us regarding your accounts, loans, or other products and services offered by us. 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, and training purposes.

27. 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 try to correspond with you at the most current address we have on file for your account. Changes may be accepted over the phone or via the internet. In some cases, we may require an address or name change to be in writing and include your signature. If we attempt to locate you, we may impose a fee as set forth in the Fee Schedule.

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 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. On multiple party accounts, notification sent to any account owner is recognized as notification to all owners.

28. 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 paid, and we will not 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 Fee Schedule. Additional statements may be requested from MSUFUCU, and a fee may be charged for additional statements as stated in the 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 MSUFUCU within 60 days of the mailing date 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 MSUFUCU. 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 within 14 days of when you usually receive it.

29. 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 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, 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 Michigan law. Dormant accounts receive only an annual account statement.

30. Special Account Instructions. You may establish accounts for a specific trust, will, or court-ordered guardianship or conservatorship. However, we are not authorized to advise you as to the legalities of establishing any such 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 MSUFUCU harmless from any claim or liability asserted against MSUFUCU as a result of the disposition of funds in reliance on this Agreement and any account designations of yours. 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. Any account changes you wish to make must be specified on an account change form, including adding or terminating an account or service, and must include signatures of all account owners.

31. Checks. If you choose to use checks from a direct mail company or source other than MSUFUCU, 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 it will not be the responsibility of MSUFUCU. Checks may be purchased from us or our vendor for a fee. Original checks are stored electronically as a permanent record. 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.

32. Federal Deposit Insurance. Your savings in MSUFUCU 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.

33. 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 share account as set forth in the MSUFUCU 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.

34. Termination of Membership. Your signature is required if you wish to voluntarily terminate your membership. MSUFUCU may suspend services to you or expel you from membership for any reason as permitted by law, including causing a loss to MSUFUCU.

35. Death of an Account Owner. You irrevocably waive the right to make a testamentary disposition of any account with MSUFUCU 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 Agreement. Upon the death of an account owner, funds in the account shall be payable to multiple party account owners or any POD beneficiaries in accordance with this Agreement and Michigan law. 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 his/her 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 his or her death.

36. Severability. If a court refuses to recognize any segment of this Membership and Account Agreement as valid or enforceable, the remainder of this Agreement and other MSUFUCU disclosures shall remain valid and enforceable and will be in complete effect.

37. Enforcement. 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 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. Such fees, costs, and expenses are considered a debt owed to MSUFUCU and subject to the right of offset as set forth in Section 22.

38. Indemnity. If, by following your instructions, 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.

39. Agreement. The Agreement shall be effective as of the revision date, and except as otherwise expressly provided in this Agreement, governs all of your deposit accounts with us. By signing the Membership Agreement, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous agreements for such accounts.

40. Amendment. We may change any items in this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with 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.

41. Arbitration Agreement. You and MSUFUCU 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 MSUFUCU (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; or, a copy of the Rules can be obtained upon request to MSUFUCU'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. MSUFUCU 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 MSUFUCU 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, OR call AAA at (800) 778-7879.

42. Governing Law. This Membership and Account Agreement shall be governed and construed under MSUFUCU's Bylaws, applicable federal laws and regulations, the laws of the State of Michigan, and local clearinghouse rules, as modified or amended from time to time. You consent and agree that any dispute regarding this Agreement 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 this Agreement, the Federal Arbitration Act (Title 9 of the US Code) governs the interpretation and enforcement of the Arbitration Agreement.

43. 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