

Torch Lake Federal Credit Union

100 Calumet Street
Lake Linden, MI 49945

50 Third Street
Laurium, MI 49913

Phone (906) 296-0215

Fax (906) 296-0243

Electronic Fund Transfer Agreement

Torch Lake Federal Credit Union offers you various electronic fund transfer services, made possible by our advanced electronic data processing system. We have also provided, and will provide from time to time, plastic AUTOMATED TELLER (ATM) or Visa Check Card (which are referred to throughout this disclosure as "ATM/Debit Card" or simply "Cards") to a certain number of our members. Sometimes two or more persons are furnished such cards relating to a single account in the credit union.

When a secret Personal Identification Number ("PIN") is also provided to a member, the ATM/Debit card and PIN can be used in any one of a number of AUTOMATED TELLER MACHINES to make "electronic fund transfers". Transfers can be made to, from, or between one or more accounts in the credit union. Simply follow the instructions at the machine.

This disclosure is furnished to you as a member of Torch Lake Federal Credit Union. It meets the requirements of both the federal and Michigan statutes relating to "electronic funds transfers". It also meets the requirements of the regulation (Reg. E) issued by the Federal Reserve Board pursuant to the federal statute, whether such "electronic fund transfers" are made by use of an AUTOMATED TELLER MACHINE or in any other manner.

This disclosure is a contract. The terms and conditions set out here are binding on you and on us as to the making of such "electronic fund transfers" and the use of the ATM/Debit Card and PINs, in the following cases:

If you use the account(s) covered by this disclosure after receipt of this agreement.

If you already have an ATM/Debit Card and PIN provided by us, and you use them to make such transactions after receipt of this agreement.

If you ask us to provide you with a PIN and you thereafter use it, together with an ATM/Debit Card, to make such transactions.

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

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

In this disclosure, "you" and "your" include the plural in cases where two or more persons have an interest in a single account affected by an "electronic fund transfers" service. "We" or "us" refer to Torch Lake Federal Credit Union.

THE FOLLOWING SECTIONS RELATE TO ALL "ELECTRONIC FUND TRANSFERS" AFFECTING YOUR ACCOUNT(S) WHETHER MADE BY USE OF AN ATM/DEBIT CARD OR OTHERWISE:

- Account Affected: Each of the following types of accounts in the credit union can be subject to some kind of "electronic fund transfer" service:
 - *Regular Share Account
 - *Share Draft Account
 - *Christmas Club

These types of accounts are sometimes referred to in the disclosure as "asset account(s)" or simply as your "account(s)". You have previously designated which of your account(s) you want to be subject to a particular type of electronic fund transfer service. You may change those instructions in the future, and we will follow your new wishes to the extent our electronic fund transfer program permit at that time.

- Account Agreements: The terms and conditions of the account agreements relating to your accounts with us remain in effect except to the extent modified by this disclosure.
- Minimum Balance: You must always maintain a minimum of @25.99 in a regular share account to be entitled to make, by use of AUTOMATED TELLER MACHINE or otherwise, "electronic fund transfers" affecting your account(s). PINs for use with ATM/Debit Cards will not be issued to members whose loan payments to us are more than 30 days delinquent. We reserve the right to increase minimum balance requirements or to impose other restrictions in the future, but if we do so we will give you at least 21 days advance written notice.
- "Electronic Fund Transfer" Services: At the present time, you can authorize the following types of "electronic fund transfers" to or from your asset account(s) in the credit union.

Transfers TO your account(s) (credits):

- *Direct deposits from employers who have agreed to send such deposits to us.
- *Direct deposit of various governmental benefits.
- *Deposits from any third party through the facilities of the Payment Authority (of which we are a member).
- *Automatic transfers to your account(s) from another person's account with us.

Transfers FROM your account(s) (debits):

- *Payments of your house mortgage payments, insurance premiums and utility bills, as well as other types of payment to third parties, through the facilities of the Payment Authority.
- *Automatic deduction from your account of premiums for insurance coverage available to our members.
- *Automatic transfers from your account(s) to make payments on another person's loan owing to us.

AUTOMATED TELLER MACHINE (ATM) Transactions:

If you have an ATM/Debit Card along with a Personal Identification Number (PIN), you can use it to make any or all of the following transactions at an Automated Teller Machine.

- *Deposits to your Regular Share account and Share Draft account.
- *Cash withdrawals from your Share Draft account, and Regular Share account.
- *Transfer of funds (non-cash) from your Regular Share account to your Share Draft account or from your Share Draft account to your Regular Share account.

(Some networks may not allow all transaction types.)

*Verify balances in specified savings, share draft, or loan accounts that you have with us. (Those are not "electronic fund transfers.")

If you use an automated teller machine that is not operated by us, you may be charged a fee by the operator of the machine and/or by an automated transfer network.

Electronic Check Conversion:

A transfer through an automated clearing house when you provide a check to a certain merchant or other payee that enables the merchant or other payee to capture the routing, account, and serial number to initiate the transfer, whether the check is blank, partially completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an electronic fund transfer, or whether the check is retained by the consumer, the merchant, or other payee, or the payee's financial institution. Your authorization to make such types of electronic funds transfers may be expressed in writing or implied, for example, by the posting of a sign.

Illegal Use:

You understand and agree that you may not use any of our electronic fund transfer services for any illegal purpose.

Point of Sale Transactions:

Your ATM/Debit Card may be used to purchase goods or services from merchants who have arranged to accept an ATM/Debit Card as a means of payment. If you have an ATM/Debit Card, it may be used to purchase goods and services from certain merchants. These merchants are collectively referred to as "Participating Merchants" and will display a logo or other symbol which identifies them as a merchant who will accept your ATM/Debit Card. Purchases made with your ATM/Debit Card, including any purchases where you receive cash back, are referred to as "point of sale transactions" or "POS" transactions. A POS transaction will cause your share draft account to be debited for the amount of the purchase. Only share draft accounts may be used in connection with point of sale transaction performed with your ATM/Debit Card.

Withdrawals for Point of Sale transactions may be made up to \$1000.00 on line and up to \$500.00 when off line.

5. Excluded Transactions: We have developed an elaborate electronic data processing system, which makes it possible to offer you many electronic services. However, some of these services do not constitute "electronic fund transfers" for purposes of this disclosure. For example, automatic transfers from your account(s) to pay your loan(s) owing to us and automatic transfers between your own asset accounts in the credit union. The terms and conditions of this disclosure only apply to those services and transfers which are "electronic fund transfers" as described in Section 4; they do not apply to other transactions that, although electronic in nature, do not constitute "electronic fund transfers" described in that section.

6. Fees for "Electronic Fund Transfers": We reserve the right to impose fees, and to thereafter increase them, if we deem it necessary. We will give you at least 21 days advance written notice before imposing or increasing any such fees.

Charges: All charges related to electronic fund transfers are:

- \$1.00 per transaction of a SC24 ATM
- \$27.50 per overdraft
- Cards will be issued at no charge to the member. Lost or stolen cards will be replaced at a cost of \$ 10.00 per card.

7. Limitations on "Electronic Fund Transfers": As to transactions other than those made at an AUTOMATED TELLER MACHINE, there are no limitations as to how often you can make "electronic fund transfers" described in Section 4. Nor are there any restrictions as to the dollar amount of any one "electronic fund transfer". We reserve the right to impose any such restrictions in the future as we deem reasonable, but we will give you at least 21 days advance written notice before doing so.

8. Documentation of Electronic Fund Transfers:

- You can get a transaction receipt at the time you make any transfer to, from, or between your account(s) using an AUTOMATED TELLER MACHINE, and each time you make a purchase using your ATM/Debit card.
- If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call or write us at the telephone number and address appearing on your periodic statement or as shown on this Agreement to find out whether or not the pre-authorized deposit has been made to your account.
- You will get a statement every month of each asset account to which you have authorized any "electronic fund transfer" service.

9. Your Right to Stop Payment of Pre-authorized Transfers: Rights and Procedures to Stop Payment; If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

CALL: (906) 296-0215 Main office or (906) 337-5565 North End Branch

Or WRITE us at: Torch Lake Federal Credit Union
100 Calumet Street
Lake Linden, MI 49945
OR
North End Branch
50 Third Street
Laurium, MI 49913

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

Stop-payment orders are \$10.00 each. We reserve the right to increase such fees in the future.

If these regular payments vary in amount, the person you are going to pay will you, 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount or would fall outside certain limits that you set.

If you order us to stop one of these payments 3 "business days" or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Business Day: For the purposes of this Agreement, a "Business Day" is defined as Monday through Saturday, except Holidays.

10. Reversing "Electronic Fund Transfers": If an "electronic fund transfer" described in Section 4 was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse the transfer if (1) you tell us, within 4 calendar days after the date of the transfer, to make such a reversal, (2) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (3) you assure us that any returnable goods involved in the dispute will be returned.

If you do these things in writing, you MUST send the letter to:

WRITE us at: Torch Lake Federal Credit Union
100 Calumet St.

Lake Linden, MI 49945
Or
North End Branch
50 Third St.
Laurium, MI 49913

Or CALL: (906) 296-0215 Main office
(906) 337-5565 North End Branch

If you tell us orally that you want such a transfer reversed, you must send us a letter to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. You are required to get this letter back to us within 14 calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests, and to increase such charges thereafter.

11. Confidentiality: In general, you agree that we may disclose information to third parties about your account or the transfers that you make:

- A. Where it is necessary for completing transfers, or
- B. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- C. In order to comply with government agency or court orders, or
- D. If you otherwise give us your written permission.

In addition, if you have a MasterCard debit card, you agree that we may provide your personal data, to the extent allowed by law, to MasterCard, its Members, or their respective contractors for the purpose of providing Emergency Cash and Emergency Card Replacement Services only.

12. In a Case of Errors or Questions About your "Electronic Fund Transfers"

CALL: (906) 296-0215

Or WRITE us at: Torch Lake Federal Credit Union

100 Calumet St.
Lake Linden, MI 49945
Attn: Accounting Dept.

As soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- A. Tell us your name and account number, if any.
- B. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- C. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in

writing within 10 business days. In section 9 of this agreement, we list our business days.

We will tell you the results of our investigation within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 business days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

If we decide there was no error, we will send you a written explanation within three days after we finish our investigation.

• If you give notice of an error within 30 days after you make the first deposit to your account, we will have 20 business days instead of 10 business days.

• If you give notice of an error within 30 days after you make the first deposit to your account notice of an error involving a point of sale transaction, or notice of an error involving a transaction initiated outside the U.S., its possessions and territories, we will have 90 days instead of 45 to investigate.

13. Liability for Failure to Make "Electronic Fund Transfers": If we do not complete an "electronic fund transfer" as described in section 4 to or from your accounts on time or in the correct amount according to our agreements with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

If through no fault of ours, you do not have enough money in your account to make the transfer.

If there is not enough money in your account, in excess of amounts you have pledged to us as collateral for a loan, to make the transfer.

If funds in your account are subject to garnishment or other legal process.

If we have, because of your default on a loan, exercised our rights against the funds in a pledged account.

If the transfer would go over the credit limit on your overdraft line.

If the automated teller machine where you made the transfer did not have cash.

If circumstances beyond our control, such as fire or flood, prevent the transfer, despite reasonable precautions we have taken.

We will also be excused from such liability if you fail to observe the terms of this agreement, or our account agreements with you, which relate to such "electronic fund transfers".

14. Regulatory Agency: If you believe that we may have violated the Federal Electronic Funds Transfers Act or its implementing regulation, Regulation E, you may contact

Division of Consumer Affairs
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

If you believe that we may have violated the Michigan Electronic Funds Transfers Act (Michigan Public Act No. 322 of 1978), you may contact:

State of Michigan
Department of Consumer and Industry Services
Office of Financial and Insurance Services
P.O. box 30224
Lansing, Michigan 48909

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

16. Location of Machines: The number and location of AUTOMATED TELLER MACHINES is, of course, subject to change at any time. Network: Besides being able to use your electronic fund transfer card at ATM terminals, you may access your account at the following networks: Cirrus.

17. Card Ownership: All ATM/Debit Cards and PINS remain the property of the Credit Union and may be revoked or cancelled at any time without giving you prior notice. You agree not to use your Card for a transaction that would cause your account balance to go below zero. We will not be required to complete any such transaction, but if we do, you agree to pay us the amount of the improper withdrawal, r transfer, upon request.

18. Secrecy of PIN: If we have issued a PIN to you, you agree to keep your PIN secret, and you have also agreed that you will not write the PIN on your ATM/Debit Card or on any item you keep with your card.

19. Limitations on "Electronic Fund transfers": There are no limitations on the number of dollar amount of deposits or payment transactions you may make at any AUTOMATED TELLER MACHINE during its 24 hour operating cycle. You must always maintain minimum of \$25.00 in a Regular Share Account to be entitled to refer to our fee schedule for the fees associated when more than 3 transaction have been made per day. However to protect against possible losses, your card will not allow you to withdraw more than \$210.00 when off line. We reserve the right to change these limitations, and we will give you a written notice of any such change at least 21 days in advance.

Responsibility for overdraft: If you obtain from an AUTOMATED TELLER MACHINE, which creates a shortage in your account, the overdraft amount is due and payable the moment you receive your money. You agree to pay the full amount of it to us, together with an overdrawn account charge per occurrence. You also authorize us, in such a case, to apply from any other share account any amount necessary to pay such overdraft. If the overdraft is created in your share draft account (1) a transfer will be made from your other share account(s) to cover the overdraft, in accordance with your share draft account agreement with us. If there are not sufficient funds to make a transfer according to (1) of this paragraph, or if you have no overdraft protection for your share draft account then such overdraft will be paid to us as provided in the first sentence of this section.

20. Crediting of Deposits and Payments: At this time, deposits or payments are not accepted from an Automated Teller Machine.

21. Foreign Transactions: Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. The conversion rate to U.S. dollars will be determined in accordance with the operating regulations established by MasterCard. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars is either a government mandated rate or the wholesale market rate in effect one day prior to the transaction processing date, increased by one percent. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

22 (A). Liability for unauthorized use: Tell us AT ONCE if you believe your ATM Card, Debit Card, or PIN has been lost or stolen. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two (2) business days, you can lose no more than \$50.00 if someone used your Card or PIN without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept us from telling us, we will extend the time periods.

22 (B). Special Rules for Visa Check Card, when used for Point of Sale Transactions. You will not be liable for any unauthorized transactions using your Visa Check Card, when used for point of sale transactions, if: Under VISA International Rules, in general a member's liability for lost or stolen debit (or credit) cards is zero, unless the credit union determines, based on substantial evidence that the member was grossly negligent or fraudulent in handling their card. IF the credit union determines that the member was grossly negligent (or fraudulent) in handling his card, the limitations of liability found in Reg E apply. (Note: these special liability protections don't apply to business VISA cards nor to ATM transactions.)

22(C). Notification of Lost/Stolen Card: If you believe your ATM Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission:

CALL: 906-296-0215

Or WRITE us at: Torch Lake Federal Credit Union

100 Calumet St.
Lake Linden, MI 49945
IMMEDIATELY

If you believe your Visa Check Card or PIN has been lost or stolen:

CALL: 1-800-535-8440

Or WRITE us at: Torch Lake Federal Credit Union

100 Calumet St.
Lake Linden, MI 49945
IMMEDIATELY

23. Termination of Prior Agreements: Upon your receipt hereof, this disclosure terminates and takes the place of any Automated Teller Machine Agreement previously furnished to you.

TO APPLY FOR AN ATM/DEBIT CARD
CALL: 906-337-5565

OR WRITE TO:

TORCH LAKE FEDERAL CREDIT UNION
100 CALUMET ST
LAKE LINDEN, MI 49945

24. Notice Regarding ATM Fees Charged by others: When you use an ATM that is not owned by us, you may not be charged a fee by the ATM operator and/or by an automated transfer network. We will separately publish a list of machines owned and operated by us from time to time.

Effective Date: The effective date of this agreement is May 2002.

Revised 01-02

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