

Regulation E

Telcom Credit Union makes available to members various “electronic fund transfer” services, made possible by our advanced electronic processing system.

We have also provided, and will be providing from time to time, plastic transaction cards and personal identification numbers (called a “PIN”) to our members. A member may use the transaction card and PIN to access anyone of a number of automated teller machines, to be described later, to make “electronic fund transfers” to, from or between one or more accounts in the Credit Union, simply by following the instructions at the machine.

This disclosure is furnished to you as a member of Telcom Credit Union to meet the requirements of the Federal and Michigan Statutes relating to “electronic fund transfer”, as well as the requirements of Regulation E, issued by the Federal Reserve Board.

This disclosure is a contract. That is, 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 any access device in the following cases:

- If you use the account(s) covered by this disclosure.
- If you already have a transaction card and PIN provided by us and you use them to make such transactions.
- If you use an audio teller access code with a touchtone telephone to make such transactions through our Telephone Banking System.
- If you use a PIN and access device (such as a personal computer, personal digital assistant, ...) to perform such transactions through our Home Banking System.

In all such cases, your use of the account(s) or your making 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 accounts to the same extent and in the same manner that you have in the past as far as non-electronic fund transactions are concerned.

In this disclosure, “you” and “your” includes the plural in cases where two or more persons have an interest in a single account affected by an “electronic fund transfer” service. “We” or “us” refers to Telcom Credit Union. “Other ATMs” refers to automated teller machines in the CO-OP Network, NYCE, CIRRUS, and other networks that may be added.

THE FOLLOWING SECTIONS RELATE TO ALL “ELECTRONIC FUND TRANSFERS” AFFECTING YOUR ACCOUNT(S), WHETHER MADE BY USE OF AN AUTOMATED TELLER MACHINE OR OTHERWISE

1. Accounts Affected: Each of the following types of accounts in the Credit Union can be subject to some kind of “electronic fund transfer” service:

Regular Savings
Christmas Club
Special Savings
Share Draft (Checking)
Money Management Accounts
Line of Credit Loan
Installment Loans
Real Estate Secured Loans

These types of accounts are referred to in this disclosure simply as your “account(s)”. As is your right, you have previously designated which of your account(s) you want to be subject to any 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” programs permit at that time.

2. Account Agreements: The terms and conditions of the account agreements relating to your accounts with us remains in effect except to the extent modified by this disclosure.

3. Minimum Balance: You must always maintain a minimum of \$5.00 in a Regular share account to be entitled to make “electronic fund transfers” affecting your account(s). 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.

4. “Electronic Fund Transfer” Services: At the present time, you can authorize the following types of “electronic fund transfers” to or from your account(s) in the Credit Union:

Transfers TO your account(s); (credits):

- Direct Deposit of various governmental benefits such as Social Security Pension, Disability and Survivorship payments (and S.S.I. benefits); Railroad Retirement Board Benefits; Army, Navy and Air Force Retirement payments; Veterans Administration Compensation payments; Air Force and Marine Corps Duty Allotments.
- Deposit(s) from any third party through the facilities of the Automated
- Clearing House Association (ACHA), including payroll deduction or net paycheck from the various employers who have agreed to send us such deposits through ACHA.
- Automatic transfers to your account(s) from another person’s account.
- Transfers to your account(s) from your other account(s) or from your Line of Credit loan account(s) with us through our Telephone Banking or Home Banking Systems.

Transfers FROM your account(s); (debits):

- Deductions from your account for insurance premiums such as car or life insurance.
- Payments of your house mortgage payments, insurance premiums and utility bills, as well as other types of payments to third parties, through the facilities of the Payments Authority.
- Automatic transfers from your account(s) to the account of another person.
- Automatic transfers from your account(s) to make payments on another person’s loan owing to the Credit Union.
- Transfers from your account(s) to your other account(s) or to your loan(s) with us through our Telephone Banking or Home Banking Systems.

Automated Teller Machine Transactions: A “transaction card” means an Automated Teller Machine (ATM) Card or a VISA® Debit Card. If you have a transaction card for which we have issued a PIN, you can use it to make any or all of the following transactions in an CO-OP Network ATM:

Deposits to your:

- Regular Savings Account
- Share Draft (Checking) Account
- Money Management Account

Cash Withdrawals from your:

- Regular Savings Account
- Share Draft Account
- Money Management Account

Cash advances from your Line of Credit Loan Account

Transfers (non-cash) between your Regular Savings Account, Share Draft Account, Money Management Account, and your Line of Credit Loan Account

Payments of loans

Verify balances in specified share or loan accounts you have with us.

You have previously told us which of these services you want to use. You can discontinue use of any such service whenever you want to. If you begin using a different “electronic fund transfer” service after receipt of this disclosure, we must be notified of the account(s) affected.

We may make additional types of “electronic fund transfer” services available in the future; we may also discontinue one or more, or all, of our “electronic fund transfer” services, but if we do that we give you at least 21 days advance notice in writing.

NYCE Transactions: If you have a transaction card for which we have issued a PIN, you may use it to make any and all of the following transactions at specified NYCE automated teller machine locations:

- Deposits to your Regular Savings and Share Draft Account(s)
- Withdrawals from your Regular Savings and Share Draft Account(s)
- Transfers to/from either of the above accounts
- Cash advances on your Line of Credit Loan Account

Other ATM Transactions: If you have a transaction card for which we have issued a PIN, you can use it to make any or all of the following transactions at a CIRRUS specified location:

- Withdrawals from your Regular Savings and Share Draft Account(s)
- Cash advances on your Line of Credit Loan Account

Point of Sale (POS) Transactions: Your transaction card may be used to purchase goods or services from merchants who have arranged to accept an ATM Card or a VISA® Debit Card as a means of payment. If you have a Debit Card, it may be used to purchase goods and services from VISA® Debit Card merchants. These merchants are collectively referred to as “Participating Merchants” and will display a logo or other symbol that identifies them as a merchant who will accept your card. Purchases made with your transaction 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 checking account to be debited for the amount of the purchase. Only checking accounts may be used in connection with point of sale transactions performed with your transaction card.

Electronic check or draft conversion. A transfer through an automated clearing house when you provide a check to certain merchants or other payees that enables the merchant or other payee to capture the routing, accounting, and serial numbers to initiate the transfer, whether the check is blank, partially completed, or fully 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 completing a transaction when proper notification is given by the merchant (through posting a sign).

5. Excluded Transactions: We have developed an advanced 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, deductions from your account to pay premiums on Credit Union sponsored insurance programs, automatic transfers from your account 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 which, although electronic in nature, do not constitute “electronic fund transfers”.

6. Foreign Transactions: Purchases and cash advances made in foreign countries and foreign currencies will be billed to you in U.S. dollars. Effective April 2, 2005, the exchange rate for transactions in a foreign currency will be a rate selected by VISA from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate VISA itself receives, or the government mandated rate in effect for the applicable central processing date plus 1% International Transaction Fee.

7. Fees for “Electronic Fund Transfers”: All Electronic Funds Transfer fees that may apply to your account(s) not specifically identified below are disclosed in a separate fee schedule:

A \$1.00 fee will be charged for each transaction in excess of 10 that is performed in a calendar month at an automated teller machine (ATM). The fee(s) will be deducted from your Regular Savings Account. There will be no charge for the first 10 ATM transactions in a month. We reserve the right to impose other charges, and to thereafter increase them, if we deem it necessary. Again, we will give you at least 21 days advance written notice before imposing or increasing any such charge.

International Transaction Fee: Effective April 2, 2005, a 1% International Transaction Fee will be assessed on all transactions where the merchant country differs from the country of the card issuer. The converted transaction amount will be shown separately from the International Transaction Fee on your billing statement. This fee will be assessed on all international purchases, credit vouchers, and cash disbursements.

When you use an ATM not owned by us, you may be charged a fee by the ATM operator, or any network used, and you may be charged a fee for a balance inquiry even if you do not complete the fund transfer. Telcom Credit Union charges a .50 fee for each balance inquiry performed at any ATM .

8. Limitations on “Electronic Fund Transfers”: We described the types of electronic funds transfers you can make through our various Electronic Funds transfer Services in Section 4 above. With respect to certain account(s), as covered by the Federal Reserve Board’s Regulation D, there are limitations as to how many automatic transfers you are allowed to make to third parties (e.g., your mortgage payments or insurance premiums). No more than six such transfers may be made from these certain account(s) during

any single statement period. Aside from that limitation, and as to transactions other than those made at an ATM, 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.

9. Documentation of Transfers:

- A. You can receive a transaction receipt at the time you make any transfer to or from or between your account(s) using automated teller machines.
- B. You will receive a statement every month for each account in which there occurs an "electronic fund transfer" service described in Section 4. In all cases, you will be sent a statement on a quarterly basis.
- C. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit will tell you every time they send us the money. You can call Telephone Banking 248.557.4400 or use Home Banking to find out whether or not the deposit has been made.
- D. Periodic statements we send you on accounts that are subject to "electronic fund transfers" described in Section 4 and transaction receipts issued by automated teller machines are admissible evidence.

10. Right to stop payments and procedure for doing so: If you have made arrangements to make regular payments out of your account, you can stop any of these payments. Here's how: Call us or write us at the phone number or address below in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. We will charge you a fee as set forth in the Fee Schedule for each stop-payment order you give. The phone number and address for this purpose is: 248.735.9500

Send written requests to: Telcom Credit Union
EFT Department
44575 West Twelve Mile Rd.
Novi, MI 48377

Notice of varying amounts. If these regular payments vary in amount, the entity you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be.

Liability for failure to stop payment of pre-authorized transfer. 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. In Section 14 of this disclosure, we tell you what our "business days" are.

11. Disclosure of Information to Third Parties: In the ordinary course of business, we will only disclose information concerning your account(s) or "electronic fund transfers" described in Section 4 affecting your account(s):

- 1. As provided by law, or
- 2. With your consent, or
- 3. To furnish credit information under the federal "Fair Credit Report Act", or
- 4. If necessary to verify or complete an "electronic fund transfer",
or
- 5. To verify the existence and condition of your account(s) for a third party, such as a credit bureau or merchant or
- 6. If the information relates to improper use of your account(s).

12. Errors or Questions. In Case of Errors or Questions About Your "Electronic Fund Transfers" as described in Section 4:

Telephone us at: **248.735.9500** OR
Write us at: **Telcom Credit Union**
44575 West Twelve Mile Rd.
Novi, Michigan 48377

as soon as you can, if you think your statement or an automated teller machine transactions receipt is wrong or if you need more information about a transaction listed on the statement or receipt. We must hear from you no later than 60 days after you receive the FIRST statement on which the problem or error appeared.

- 1. Tell us your name and account number and

2. Describe the error or the transaction you are unsure about and explain as clearly as you can why you believe it is in error or why you need more information, and
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 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 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 will have the use of the money during the time it takes us to complete our investigation. In addition, we will notify you about the amount and date of provisional credit within two business days of giving you the provisional credit. 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 that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in 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 the error involved a VISA® Debit Card POS transaction, we will have 5 days instead of 10.

**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 days to investigate.

As used herein, "error" includes, but is not limited to, an unauthorized electronic fund transfer, an incorrect electronic fund transfer to or from your account(s), and omission of an electronic fund transfer affecting your account(s).

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 account(s) 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 specifically pledged to use as collateral, to make the transfer.
- If the funds in your account are subject to garnishment or other legal process which prevents the making of the transfers.
- If we have, because of your default, exercised our rights against the funds in your account pursuant to a pledge of those funds you gave us.
- If the transfer would go over the credit limit on your overdraft line.
- If circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken.
- We will also be excused from such liability if you fail to observe the terms and conditions of this agreement, or our account agreements with you, which relate to such "electronic fund transfers".

14. The Credit Union's "Business Days" are considered Monday through Friday. Saturdays and scheduled Credit Union holidays are not considered a business day. Please contact the Credit Union for scheduled holidays for the current year.

We reserve the right to change our "business days", hours, and the days we are closed, and if we do so, we will notify you in advance.

15. 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:

Federal Trade Commission
Electronic Fund Transfers
Washington, DC 20580

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

16. Amendments; Termination: We reserve the right to amend this disclosure (agreement) in any manner and 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.

17. Card Ownership: All transaction cards and PINs we provide are the property of the Credit Union. If this agreement is terminated, you agree to surrender the card(s) to us.

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

19. Limitations on “Electronic Fund Transfers”: There is no limitation on the number or dollar amount of deposit or payment transactions you may make at automated teller machines during a 24-hour operating cycle. However, to protect against possible losses, your transaction card will only allow you to obtain cash from the machines to a maximum of your daily withdrawal limit.

We reserve the right to change these limitations and we will provide notice of any such change in advance.

You have the right to require us to program our system so that no more than \$50.00 cash can be obtained by use of your transaction card during a single day. Please contact us if you want this option.

20. Responsibility for Overdraft: If you obtain cash from an automated teller machine, make a transfer through the use of our Telephone Banking or Home Banking systems, POS, or have an EFT transaction which creates an overdraft in your account(s) you will owe the credit union such amount as may be necessary to pay such an overdraft. If the overdraft is created in your share draft account (1) your Courtesy Pay will cover the overdraft. Once your Courtesy Pay limit has been reached (2) an advance on your overdraft loan account will be made to cover the overdraft. You will be required to repay that advance in accordance with the terms and conditions of your Overdraft Loan plan, or (3) a transfer will be made from your other share account(s) to cover the overdraft, in accordance with your share account agreement with us, or depending upon which form of overdraft protection you have selected.

21. Crediting of Deposits and Payments: Deposits or payments made in automated teller machines, whether in cash, check, draft or money order, are subject to a minimum one (1) business day hold. Posting and availability of such deposits and payments to share, share draft, or loan accounts may be delayed until they can be collected from the machine and verified. Further delay may occur if the transaction is made on or immediately prior to a Saturday, Sunday or holiday on which we are closed. If you place a check, draft or money order in the machine as a deposit or payment, it is subject to collection in accordance with your account agreement with us.

22. Liability for Unauthorized Use: Except as provided in this section, the Credit Union is liable to you for funds wrongfully taken from your account(s) by an unauthorized electronic fund transfer.

Tell us **AT ONCE** if you believe your transaction card and/or PIN, Telephone Banking or Home Banking system PIN has been lost or stolen. Calling us 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 2 business days, you can lose no more than \$50.00 if someone used your ATM Card, your Debit Card (except as described below), Telephone Banking or Home Banking system PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your ATM Card, your Debit Card (except as described below), your Telephone Banking PIN, or your Home Banking 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 you from telling us, we may extend the time periods.

If you believe your transaction card and/or PIN, your Telephone Banking or Home Banking PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission,

CALL the Credit Union at: 248.735.9500
VISA Debit Card - call 800.543.5073

OR WRITE: Telcom Credit Union
EFT Department
44575 West Twelve Mile Rd.
Novi, MI 48377

IMMEDIATELY!!!

Special Liability Protection Rules for VISA® Debit Card Point of Sale Transactions. In general, you will not be liable for any unauthorized VISA® Debit Card point of sale transactions that take place on the VISA system. We may require you to provide a written statement regarding claims of unauthorized transactions. This special provision limiting your liability does not apply to ATM transactions made with your VISA® Debit Card, to transactions involving your PIN which are not processed by VISA, or to commercial Cards. In addition, this special provision limiting your liability does not apply if we determine that you were grossly negligent or fraudulent in the handling of your account or your Card. When this special provision limiting your liability does not apply, refer to the provisions earlier in this Section.

“Unauthorized use” means the use of your debit card by a person, other than you, who does not have actual, implied, or apparent authority for such use, and from which you receive no benefit. This additional limitation on liability does not apply to PIN-based transactions or transactions not processed by VISA®.

23. Currency Conversion: When you use your VISA® Debit Card at a merchant that settles in currency other than US dollars, the charge will be converted into the US dollar amount. The currency conversion rate used to determine the transaction amount in US dollars is either a wholesale market rate of the government-mandated rate in effect the day before the processing date, increased by 1%. The conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or posting date.

24. Termination of Prior Agreement: Upon your receipt hereof, this disclosure terminates and takes the place of any earlier “Electronic Fund Transfer Agreement” previously furnished to you.