

# Toledo Metro Federal Credit Union

## Legal Disclosures, Policies & Procedures

**Right to withdrawal** – Federal regulations allows us to retain the right to require at least 7 days notice prior to any withdrawal from a dividend-bearing share draft account. If we tell you that we require 7 days notice we will not pay your funds until expiration of the notice period.

**Periodic Statements** – Each month, we will send you a statement of your account. You have 10 days from the time we mail your statement to notify us of any errors. Your share draft account statement may be combined with other accounts, deposit or loans you have with us on request.

**Stopping a Draft** – If you do not want us to pay a draft you have written, you can order us to stop payment. You can notify us by mail or phone. Your stop order takes effect when our bookkeeper records it on your account. When this happens we will send you a confirmation. Your written order will be effective for 6 months. If your stop order is by phone, you must confirm it in writing. If you do not, we will remove it after 10 days. Your stop order must include your account number, the number and date of the draft, the incorrect information. We may charge your account for a stop payment order and may charge for the presentment to us of the draft to be stopped. If this is a joint account, we will accept a stop payment from any owner regardless of who signed the draft.

**Charge Backs** – If we cash a draft for you or accept it for deposit to your account and it is returned to us unpaid, we will charge your account for the unpaid draft. The unpaid draft will be mailed to you at the address shown on our records. A service fee may be imposed for this type of activity.

**If you do not use your account** – An account shall be considered inactive during any period defined by the credit union, available upon request, in which there shall occur no deposit, no withdrawal or no written correspondence with the credit union with respect to the account. An account, which has been inactive for 60 consecutive months, will be escheated to the state as abandoned property and no interest or dividends will be earned after the escheat. The credit union reserves the right at the start of the inactive period to charge a fee per month for the cost of the inactivity.

**Printed Draft Purchases** – The credit union reserves the right to require that all purchases of printed drafts is done by the credit union's authorized draft printers (available upon request). If at any time you should use drafts printed by someone other than authorized by the credit union, the credit union reserves the right to reject every draft and charge a fee per draft for each draft rejected.

**Overdraft and nonsufficient funds** – If you write a draft for more money than you have in your account, you will be overdrawn and we will return the draft unpaid (nonsufficient funds/NSF), however, the credit union reserves the right not to return the draft based upon the relationship you have with the credit union, the number of times you have overdrawn, the amount of the draft or drafts overdrawn, frequency of overdrawn accounts, etc. We assess a charge for each draft returned or overdrawn (see schedule of service charges). If you frequently overdraw your account, we reserve the right to close it. When we do, we will mail a notice and a draft for the balance of money in the account to your address.

**Right to Offset** – If you owe us money and it is due, we can use the money from any account you have with us to pay the debt.

**Legal Proceedings** – If your account becomes involved in legal proceedings, your use of it may be restricted.

**Attorney Fees and Proceedings** – If we need to hire an attorney to represent us in any matter relating to your account, you agree to pay for all attorney fees and expenses incurred by us.

**Minors Accounts** – If you open an account as a custodian, for a minor beneficiary (less than 21 years old), state law governs your rights and duties.

**Joint Accounts** – If this is a joint account, any or all of the joint owners can make deposits and withdrawals. We can act on the written instructions of any one or more of the joint owners. We will continue to follow these instructions until we receive written notice to change them. We have the right to endorse any drafts or other orders for the payment of money made out to any of the joint owners. Once endorsed, we can deposit them into the joint account. You agree that any money in this account can be paid to any one or more of the joint owners, whether or not the owners are alive at the time of the payment. You agree that it is your intention to create a joint tenancy with the right of survivorship (a form of ownership) in this account and that if one or more of the joint owners dies his or her interest or dividends in the account pass to the remaining owners. Once a joint account is opened one owner cannot remove another from the title of the account.

**Disclaimer of Liability** – The financial institution responsible for or subject to any liabilities to its customers, other than those imposed upon it by the Uniform Commercial Code, for its own lack of good faith of its own failure to exercise ordinary care. The obligation to exercise ordinary care in handling items of deposit and of withdrawal shall be measured by the standard of the reasonableness of procedures established for the transaction involved, and mere clerical error, inadvertence or oversight without malice or an honest mistake in judgment shall not be or constitute, as to any transaction, a failure to perform such obligations or a failure to exercise ordinary care and in no case shall be deemed wrongful.

**Income Tax** – We will send you a statement showing the total interest or dividends earned during the year so you can include it in your income tax returns. If you fail to report your interest or dividends income when you file your return, or if you fail to provide us with proper taxpayer identification number, or if you provide us with an incorrect taxpayer identification number, we may be instructed by the Internal Revenue Service to withhold 31% of your interest or dividends income. The amount withheld will be sent to the IRS.

**Your ability to withdraw funds at the TMFCU** – Our policy is to delay the availability of funds that you deposit in your account. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay drafts you have written.

- **Determining the availability of a deposit:** The length of a delay is counted in business days from the day of your deposit. Every day is a business day except Saturday, Sunday and Federal holidays. If you make a deposit before 2 p.m. on a business day that we are open, we will consider that to be the day of your deposit. However, if you make a deposit after 2 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open. The length of the delay varies depending on the type of deposit and is explained below.
- **Next-day availability:** Funds from the following deposits are available on the first business day after the day of your deposit: US Treasury checks that are payable to you; Wire transfers, including pre-authorized credits, such as Social Security benefits and payroll benefits; Drafts drawn on TMFCU. If you make the deposit in person to one of our employees, funds from the following deposits are also available on the first business day after the day of your deposit: cash, state and local government checks that are payable to you; cashier's, certified and teller checks that are payable to you; Federal Reserve Bank checks, Federal Home Loan Bank checks and Postal money orders, if these items are payable to you. If you do not make the deposit in person to one of our employees, (for example, if you mail the deposit) funds from the deposit will be available on the second business day after the day of your deposit.
- **Accounts under 30 days:** We have the right to hold up to seven business days for local checks, 11 business days for non-local checks. Funds from electronic deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the

first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's and government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of your deposit. After the 30 days regular holds apply.

- **Other check deposits:** The delay for other check deposits depends on whether the check is a local or non-local check. To see whether a check is local or non-local check, look at the routing number on the check. If the first four digits of the routing number are 0220, 0223, 0410, 0430, 0412, 0432, 0433, 0434, 0440, 0441, 0720, 0724, 2220, 2223, 2410, 2412, 2430, 2432, 2433, 2434, 2440, 2441, 2720 or 2724 then the check is local, otherwise the check is non-local. Our policy is to make funds available from these checks as follows:
  - **Local checks:** The first \$100 from a deposit of local checks will be available on the first business day after the day of the deposit. The remaining funds will be available on the second business day after the day of the deposit. For example, if you deposit a local check of \$700 on Monday, \$100 of the deposit is available on Tuesday, the remaining \$600 is available on Wednesday.
  - **Non-local Checks:** The first \$100 from a deposit of non-local checks will be available on the first business day after the day of the deposit. The remaining funds will be available on the fifth business day after the day of the deposit. For example, if you deposit a local check of \$700 on Monday, \$100 of the deposit is available on Tuesday, the remaining \$600 is available on the following Monday.
- **Longer delays may apply:** In some cases, we will make all of the funds that you deposit by check available at some time shown above. Depending on the type of check that you deposit, funds may not be available until the 11th business day after the day of the deposit. However, the first \$100 of your deposit will be available on the first business day after the day of the deposit. If we are not going to make funds from your deposit available at the times shown above, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to a credit union employee, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds would be available. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:
  - We believe a check you deposited will not be paid
  - You deposit checks totaling more than \$5,000 on any one day
  - You redeposit a check that has been returned unpaid
  - You have overdrawn your account repeatedly in the last 6 months
  - There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any other reason, and we will tell you when the funds will be available. They will generally be available no later than the 11th business day after the day of the deposit.

**Automated Teller Machine (ATM)** – If you decide to apply for and receive an ATM card, you are bound by the agreement and disclosure statement for the use of this card. Funds from any deposit (cash or checks) made at any ATM that we do not own or operate may not be available until the fifth business day after the day of the deposit. All ATMs that we own or operate are identified as our machines.

- Member deposits will be available in 2 business days
- Nonmembers deposits will be available in 5 business days

**Regarding errors and inquiries** – In case of errors, questions or to verify an electronic funds transfer, please contact us by calling or writing our bookkeeping department at the phone number and address on our contact page. If you think your statement or receipt is wrong or if you need information about a transfer on

the statement or receipt, we must hear from you no later than 60 days after we sent you the first statement on which the error problem appeared.

- Tell us your name and account number
- Describe the error or the transfer you are unsure about and explain as clearly as you can why you believe there is an error or why you need more information
- Tell us the dollar amount of the suspected error

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this we will re-credit your account for the amount you think is in error, so that you will have use of the money during the time it takes to complete our investigation.