

MAINE EDUCATION CREDIT UNION MEMBERSHIP AGREEMENT AND DISCLOSURES

YOUR CREDIT UNION

Your credit union is unique in the financial world. It is a Co-op, owned by you and your fellow members and operated in your common interest. Your credit union is non-profit and exists only to serve you, not to make money. As a credit union member, you own, operate, and control your credit union through your Board of Directors. You are entitled to elect and be elected to the volunteer Board of Directors, which is composed of your fellow members and manages the credit union based on the needs and wishes of the members. The Board of Directors sets dividend rates, loan interest rates, and fees, among other things, and also determines credit union policy such as that set forth in this Agreement. In addition, your credit union works cooperatively with Maine's other credit unions and the Maine Credit Union League, pooling resources for research and development of cost effective services which benefit not only you and your fellow members, but all credit union members in Maine.

GENERAL TERMS

This Agreement contains the terms and conditions governing your membership in and accounts offered by your credit union. By signing your membership card and/or account agreement(s), you accept and agree to be bound by the provisions as set forth in them, this Agreement, the rate and fee disclosures applicable to your account(s) with your credit union, your credit union's charter and bylaws, and any amendments or changes in terms to any of them. You will receive notice of any changes in terms in accordance with all applicable state and federal laws and regulations.

The terms and conditions as set forth in this Agreement are applicable to all types of accounts offered by your credit union. There may be different or more specific terms and conditions which apply to certain accounts. Those different or specific terms are contained in the membership card, share certificate, share draft agreement, or other documents evidencing the account. To the extent that there are different terms or terms which are not included in this Agreement or those documents, such terms supersede this Agreement.

PRIVILEGES OF CREDIT UNION MEMBERSHIP

Being a credit union member carries with it many privileges, including the ability to open accounts other than ordinary share accounts, such as share draft accounts; to make and receive electronic funds transfers and wire transfers; and to obtain loans and lines of credit. However, it is your credit union's policy to deny these privileges to members who cause a loss to the credit union for any reason. Therefore, if you cause a loss to your credit union, and thus to your fellow members, you will lose your privileges of credit union membership.

ACCOUNT OWNERSHIP

You can structure the ownership of your account(s) at your credit union in a variety of ways. Rights and obligations relating to the account will depend on the type of ownership of the account.

1. Sole Accounts

If you are the sole owner of an account, only you can make deposits or withdrawals or otherwise have access to the funds in the account. Upon death, the funds in the account are distributed in accordance with the terms of your will, or, if you do not leave a will, the intestacy laws of the state of your residency.

2. Joint Accounts

Any joint owner has an equal right of access to the funds in a joint account and can withdraw all of the funds in the account at any time without permission from or notification to the other joint owner(s). At the death of one joint owner, the funds automatically belong to the surviving joint owner(s). Joint owners do not have to be credit union members.

3. Payable on Death Accounts

Payable on death accounts belong to the person(s) listed as the owner or owners of the account during their lives. On death, the funds automatically belong to the person or persons designated as payable on death beneficiaries.

4. Trust Accounts

Depending on membership eligibility, you may hold an account as Trustee for the benefit of another person or persons, or another person or persons may hold an account as Trustee for your benefit. In order to establish a Trust account, membership eligibility requirements must be met in accordance with your credit union's charter or bylaws.

5. Organizational Accounts

The funds in an organizational account are owned by a corporation, trust (including a living trust), partnership, social club, sports team, etc. In order for the organization to be a credit union member, eligibility requirements must be met in accordance with the credit union's charter or bylaws. If the organization does not qualify for membership, it can be a joint owner of the account with an individual member.

LIEN ON SHARES

A lien will be impressed on all of your credit union shares and share dividends in an amount equal to that which you may owe your credit union because of a loan, dues, or any other charges payable by you to your credit union. The lien may be enforced and your funds withdrawn and applied to your debt without further notice to you except where required by law, if you default in paying the amount you owe.

ACCOUNT CLOSING

Your regular credit union share account cannot be closed until all amounts you owe your credit union are paid in full and all other accounts that you have with your credit union are closed.

ENDORSEMENTS

All check/share draft endorsements must be made in the first one and one-half inches of the trailing edge of the back of the check/share draft. The trailing edge is opposite the left side of the face of the check. You will be responsible for any costs incurred by your credit union due to delays in returning checks or share drafts deposited into your account that do not comply with these endorsement standards.

SHARE INSURANCE

Funds in your accounts at your credit union are insured up to \$100,000 by the National Credit Union Administration (NCUA), an agency of the United States Government. If you would like more information about your share insurance, a pamphlet, "Your Insured Funds", is available upon request.

GOVERNING LAW

The rights, duties, obligations, and liabilities of you and your credit union in connection with your membership and account(s) are and shall be controlled by Maine and/or federal law as applicable and in effect at the time the rights, duties, obligations, and liabilities arise, other than as specifically set forth in this Agreement, your credit union charter and bylaws, or your specific account documentation.

COMPLAINT RESOLUTION PROCEDURE

If you have a dispute with your credit union regarding your account(s), you may contact your credit union's complaint representative or department and attempt to resolve the problem directly with your credit union.

If your credit union fails to resolve the problem, write a letter detailing the problem and the resolution you are seeking to:

Consumer Outreach Program
Bureau of Financial Institutions
State House Station 36
Augusta, Maine 04333

To file a complaint electronically, you may contact the Bureau of Financial Institutions at the following Internet address:

http://www.state.me.us/pfr/bkg/bkg_consumer.htm

The Bureau of Financial Institutions will acknowledge receipt of your complaint promptly and investigate your claim or refer it to the appropriate federal supervisory agency and inform you to whom it has been referred. You will be informed of the results of any Bureau of Financial Institutions investigation.

REGULATION J – FUNDS TRANSFERS

You may desire to initiate a funds transfer using your credit union, and your credit union may receive funds transfers for credit to an account of yours at your credit union, or for further transfer on your behalf. Transfers sent or received by you or on your behalf may go by Fedwire. Regulation J governs Fedwire. In addition to the specific provisions of Regulation J, this part of the Agreement is applicable to all such funds transfers.

1. Security Procedure

Your instructions specifying the terms and conditions of funds transfers shall be verified according to your credit union's security procedure. In the event that you decline to accept the security procedure recommended by your credit union, you agree that any security procedure you select is commercially reasonable. You further agree that you shall be bound by any instruction, whether or not authorized, which is issued in your name and accepted by your credit union in compliance with the security procedure.

2. Inconsistencies in Orders

You acknowledge and agree that your credit union and the beneficiary's (funds transfer recipient) financial institution in the funds transfer may rely on the number in a payment order that identifies the beneficiary, even if it identifies a person different from the person identified by name in the payment order, if the beneficiary's financial institution does not know of this inconsistency. You also acknowledge that your credit union may rely on a number in a payment order which identifies an intermediary financial institution or beneficiary's financial institution, even if it identifies a financial institution different from the financial institution identified by name in the payment order, if your credit union does not know of the inconsistency. Your credit union has no duty to detect any such inconsistencies.

3. Notice

For each funds transfer you receive at your credit union, you will receive notice of the transfer by having the amount received posted to your records or by some other mutually agreeable means. Your credit union is not required to give you a notice of receipt and will not do so. Your credit union will, however, notify you of the receipt of payments in any periodic statements that your credit union provides to you.

4. Provisional Credit

Credit given by your credit union to you with respect to a funds transfer is provisional until your credit union receives final settlement for the transfer through a Federal Reserve Bank. If your credit union does not receive such final settlement, you acknowledge and agree that your credit union is entitled to a refund of the amount credited to you or your account(s) in connection with the transfer. In the event that your credit union does not receive final settlement, you agree that your credit union may reverse the entry on its records and adjust your account(s) accordingly. The party making payment to you via such transfer shall not be deemed to have paid you the amount of the credit.

5. Interest and/or Dividends

If your credit union is obligated to pay interest or dividends with respect to any funds transfer, the amount payable shall be limited to the dividend rate paid on the account to which a funds transfer is deposited or from which the transfer should have occurred.

6. Instructions

Your credit union is not *obligated* to accept any instruction(s) from you relating to any funds transfer. If your credit union rejects a payment order you issue, you will be notified of the rejection in writing. The notice will be sent via the U.S. Postal Service, postage prepaid, to you at your address as listed in your credit union's records.

REGULATION CC: FUNDS AVAILABILITY DISCLOSURES

Important information on deposits, holds, and withdrawals

YOUR ABILITY TO WITHDRAW FUNDS AT YOUR CREDIT UNION

Your credit union's policy is to make funds available to you on the same business day as the day we receive your deposit. At that time, you can withdraw the funds in cash and/or we will use the funds to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and state and federal holidays. If you make a deposit before 4:30 p.m. Monday through Friday of a business day, or before 3:30 p.m. Monday through Friday during our summer hours (July-August) we will consider that day to be the date of your deposit. However, if you make a deposit after the hours stated or on a day we are closed for business or in a night depository, the deposit will be credited to your account on the next business day we are open.

RESERVATION OF RIGHT TO HOLD

In some cases, we will not make all of the funds that you deposit by share draft or check available to you on the same business day of your deposit. Depending on the type of share draft or check that you deposit, funds may not be available until the fifth business day after the day of your deposit. However, the first \$100 of your deposit will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the first business day, 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 business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

LONGER DELAYS MAY APPLY

We may delay your ability to withdraw funds deposited by share draft or check into your account an additional number of days for these reasons:

- You deposit share drafts or checks totaling more than \$5,000.00 on any one day.
- You re-deposit a share draft or check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- We have "reasonable cause" to believe a share draft or check you deposit will not be paid.
- 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 of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the fourth business day after the day your deposit is otherwise available for withdrawal.

HOLDS ON OTHER FUNDS

If we cash a share draft or check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the share draft or check we cashed would have been available if you had deposited it. If we accept for deposit a share draft or check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with your credit union. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of share draft or check that you deposited.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits, whether cash, share drafts, or checks, made at automated teller machines (ATMs) which your credit union does not own or operate will not be available until the second business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open:

The first \$5,000.00 from a deposit of U.S. Treasury checks will be available on the first business day after the day of your deposit. The excess over \$5,000.00 will be available on the second business day after the day of your deposit. Funds from wire transfers into your account will be available on the first business day after the day we receive the transfer.

Funds from deposits of cash and the first \$5,000.00 of a day's total deposits of cashier's, certified, teller's, traveler's, and state and local 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. The excess over \$5,000.00 will be available on the fifth business day after the day of your deposit. If you do not make the deposit in person to a credit union employee, the first \$5,000.00 will not be available until the second business day after the day of your deposit.

Funds from deposits of share drafts drawn on your credit union will be available on the same business day as the day of your deposit.

Funds from all other share draft or check deposits will be available not later than the fifth business day after the day of your deposit.

SHARE DRAFT AGREEMENT WITH LIMITED OVERDRAFT TRANSFER CLAUSE

You and any other joint owner agree that:

- (a) To pay share drafts signed by me (or any of us if this agreement is signed by more than one person) and charge the payments against the Share Draft Account;
- (b) To honor Automatic Teller Machine (ATM) transactions and to charge the payments against the Share Draft Account;
- (c) Only share draft blanks, properly issued ATM cards, and any other method approved by the Credit Union may be used to withdraw or access funds from this Share Draft Account;
- (d) The Credit Union is under no obligation to pay a share draft or honor an ATM transaction which exceeds the balance in the Share Draft Account. The Credit Union in its sole discretion may pay such a share draft or honor ATM transaction and charge the amount of resulting overdraft plus a service charge against any other regular share account from which the person who signed the share draft is entitled to withdraw shares. The Credit Union is under no obligation to pay a share draft on which the date is more than six months old;
- (e) Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or non-payment of a share draft;
- (f) The Credit Union shall not be liable to any party for any losses or damages which may result from premature processing of "post dated" share drafts;
- (g) Any objection respecting any item shown on a monthly statement of the Share Draft Account shall be waived unless made in writing to the Credit Union on or before the 20th day following the day the statement is mailed; (see paragraph (j) below)
- (h) All non-cash payments received on shares in the Share Draft Account or at any ATM location will be credited subject to final payment;
- (i) The Share Draft Account and CU24 Account shall be subject to service charges in accordance with the rate schedules adopted by the Credit Union from time to time;
- (j) This agreement is subject to the additional terms and conditions of any joint share account agreement that applies to a share account in our joint names; or, if there is no such agreement, this agreement is subject to the additional terms and conditions printed below.

ADDITIONAL TERMS AND CONDITIONS* (JOINT SHARE DRAFT ACCOUNT AGREEMENT)

The credit union is hereby authorized to recognize any of the signatures on the share draft account documentation referenced above in the payment of funds or the transaction of any business for the Share Draft account. The joint owners of the account hereby agree with each other and with the Credit Union that all sums now paid in on shares, or previously or subsequently paid in on shares by any or all of the joint owners to their credit as joint owners, with all accumulations thereon, are and shall be owned by them jointly, with right of survivorship and be subject to the withdrawal or receipt of any of them, and payment to any of them or the survivor or survivors shall be valid and discharge the Credit union from any liability for such payment.

Any or all of the joint owners may pledge all or any part of the shares in the account as collateral security for a loan or loans.

The right or authority of the credit union under this agreement may not be charged or terminated by the owners, or any of them, except by written notice to and consent of the credit-union, which shall not affect transactions made prior to such notice and consent.

**Notice: These additional terms and conditions apply only if there is no joint share account agreement that applies to a share account in the names of the persons whose signatures are subscribed on the share draft account documentation.*

ELECTRONIC FUNDS TRANSFER DISCLOSURE AND CARD HOLDER AGREEMENT

PERSONAL IDENTIFICATION NUMBER (P.I.N.) – is your "remote banking signature." You are responsible for maintaining its confidentiality. The P.I.N. should be memorized and not written, in order to prevent unauthorized use, and so you may report its loss or theft accurately.

AUTHORIZED USE – Only you are qualified to direct the deposit or withdrawal funds to or from your account(s) whether with the use of the "CU24" card and/or your P.I.N. at merchant or bank locations or remote facilities or otherwise. Positive identification may be requested by the merchant or bank prior to any transaction. You agree that you will not use or allow anyone else to use your card or PIN for any transaction that is illegal under applicable federal, state or local law.

CONSUMER LIABILITY FOR UNAUTHORIZED ELECTRONIC FUNDS TRANSFERS MADE IN CONNECTION WITH CU24 VISA CHECK CARD - This Section applies to Unauthorized Electronic Funds Transfers made in connection with a CU24 VISA® Check Card. Tell us AT ONCE if you believe your card, P.I.N. or other information which could provide electronic access to your account has been LOST or STOLEN, or if you believe someone has used your card or PIN or accessed your account without your permission. Telephoning is the best way of keeping your possible losses down.

If a VISA® or Interlink transfer was made using your card or card number without your permission and was not caused by your gross negligence or fraud, you will have no liability for this unauthorized transfer. For all other transfers, including transfers made using ATMs, you can lose no more than \$50.00 if you tell us within two (2) business days that your card or PIN was used to make a transfer without your permission. If you do NOT tell us within two (2) business days, and we can prove that we could have stopped someone from making a transfer without your permission if you had told us, you could lose as much as \$500.00.

If your statement shows transfers you did not make or authorize, 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 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 will extend the time period.

We are liable only for losses in excess of the limits stated.

CONSUMER LIABILITY FOR ALL OTHER UNAUTHORIZED ELECTRONIC FUNDS TRANSFERS. Tell us AT ONCE if you believe your card, P.I.N. or other information which could provide electronic access to your account has been LOST or STOLEN. Telephoning is the best way of keeping your possible losses down. If you tell us within two business days, you can lose no more than \$50.00 if someone uses your card, P.I.N. or other information without your permission.

If you DO NOT tell us within two business days after you learn of the loss or theft of your card, P.I.N. or other information, and we can prove that we could have stopped someone from using your card, P.I.N. or other information without your permission if you had told us, you could lose as much as \$500.00.

If your statement shows transfers you did not make or authorize, 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 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 will extend the time period.

NOTIFICATION PROCEDURE – If you believe that your card, P.I.N. or other information which could provide electronic access to your account has been LOST or STOLEN, or that someone has transferred or may transfer money from your account without permission, call us at the number shown at the beginning of this Agreement, or write us at the address given at the beginning of this Agreement.

ELECTRONIC CHECK TRANSFERS – Merchants and other payees may be authorized to electronically debit your share draft or checking account using information you provide on or with a share draft or check. These debits are electronic funds transfers subject to this agreement.

BUSINESS DAYS – Our business hours are Monday–Friday, 8:30 a.m.- 4:30 p.m, July and August, Monday - Friday 8:30 a.m. - 3:30 p.m; excluding state and federal holidays.

TYPES OF TRANSACTIONS AVAILABLE – You may use your ATM card to withdraw from or make deposits to your share or share draft accounts, and perform such other financial transactions as we may from time to time permit during the business hours of any remote financial facility. You may also pay for purchases at places that have agreed to accept your card (called Point-of-Sale purchases). Utilizing Teller-Phone, you may use your P.I.N. to make withdrawals from your share and share draft accounts or any account where you are an owner or joint owner, to make a payment on a loan with us, and to inquire about your account balance, last share withdrawal, interest, dividends, last draft deposit, last share deposit, last transaction, loan inquiry, draft number inquiry, IRA (Individual Retirement Account) inquiry, and certificate inquiry. You may also request a loan payoff status and make other types of electronic funds transfers, such as direct deposit, payroll deduction, and automatic payments. If a withdrawal is requested, a check in the amount of the withdrawal will be mailed to the same address that we mail your statements.

LIMITATION ON FREQUENCY AND AMOUNT OF TRANSACTIONS – For your protection we have limited the amount of each withdrawal from an account to Three Hundred Dollars (\$300.00) per day at a remote banking facility. You may buy up to Three Hundred Dollars (\$300.00) worth of goods or services each day in our Point-of-Sale transfer service.

DELAYS IN POSTING TRANSACTIONS – Due to the nature of the "ATM" system, there will be delays between the time of any activity on your account(s) and the time it is reflected in our records of your account(s).

CHARGE FOR ORIGINATING SHARES AND REMOTE BANKING TRANSACTION – A transaction resulting in a withdrawal from your share draft account using the CU24 card or your P.I.N. or other information which could provide electronic access to your account is considered the same as any other share draft in regard to our service charge formulas. The type of account determines if and when a charge will be assessed. Current charges are set forth on the rate and fee schedule you receive with this Agreement.

FEES – If you use an ATM or other electronic terminal that we do not own, you may be charged a fee by the terminal owner and any national, regional or local network used in processing the transaction. Any such fee(s) will be debited from your account if you elect to complete the transaction.

CONDITIONS UNDER WHICH WE WILL DISCLOSE INFORMATION TO A THIRD PARTY – You agree that we may, and you hereby authorize us to, disclose information to third parties about your account(s) or the transfers you make (1) where it is necessary for completing transfers; (2) in order to verify the existence and condition of your accounts for a third party, such as a credit bureau or merchant; (3) in order to comply with government agency or court orders as permitted by law; or (4) if you give us your written permission.

DOCUMENTATION OF TRANSFER AND TRANSACTION – You will receive a copy of the deposit/withdrawal slip at the time a transaction using your CU24 Card is originated. You will also receive on a monthly basis a statement of your account activity. You will not receive any slip or confirmation of other transactions other than the monthly statement.

ERROR RESOLUTION – Telephone or write us at the number and address shown at the beginning of this Agreement as soon as possible if you think your statement or 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 sixty (60) days after we send you the FIRST statement on which the problem or error appeared. Provide the following information:

(1) Your name and account number.

(2) Describe the error or the transfer you are unsure about, and a clear explanation of why you believe it is an error, or why you need more information.

(3) The dollar amount of the suspected error.

If you tell us orally, we may require that you send your complaint or question in writing within ten (10) business days.

We will tell you the results of our investigation within ten (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 forty-five (45) days to investigate your complaint or question.

If we decide to do this, we will recredit your account within ten (10) business days (five (5) business days for VISA Check Card purchases) for the amount you think is in error, so you will have the use of the money during the time it takes to complete our investigation. If we ask you to put your complaint or question in writing and do not receive it within ten (10) business days, we may not recredit your account.

If we decide that there was no error, we will send you a written explanation within three (3) business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

OVERDRAFTS – If any withdrawal(s) creates a negative balance in your account, you shall repay to us the amount of such overdraft, including customary and usual overdraft charges in the same manner as any other overdraft on such an account.

CANCELLATION – Your card and P.I.N. remain our property. Immediate surrender of either may be required by us at any time. We may cancel the card, P.I.N. and/or all electronic funds transfer privileges at any time without notice or cause. Any cancellation or termination shall not affect any of your existing liability to us.

LIABILITY – If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement 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 the transfer would go over the credit limit on your overdraft line.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the break down when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- If we have reason to believe that transactions involving your account may be unauthorized, fraudulent, illegal, or otherwise improper.
- We expressly disclaim all warranties that the components, including, but not limited to, cards and terminals, shall function properly or be available for use.

AGREEMENT MODIFICATION – This part of the Agreement may be amended by us without prior notice to you when such a change is immediately necessary to maintain or restore the security of the system or a member's account; however, we will notify you in writing thirty (30) days prior to the effective date of any other change in any term or condition of the Agreement or your account, if such change would result in greater cost liability for you or decreased access to your account.

JOINT ACCOUNTS – All parties to a joint account each agree to be jointly and severally bound hereunder. All cards shall be returned to us prior to the addition or deletion of a name from any account subject to this Agreement. The P.I.N. may provide access to accounts owned by the primary member. Joint owners may have access to the primary member's accounts at the credit union, including accounts owned singly by the primary member or jointly by the primary member and other persons.