

Notification of Change in Funds Availability Act

February 27, 2010

The Federal Reserve Board consolidated all its check-processing operations into Cleveland, Ohio. This action eliminates all “nonlocal checks” under Regulation CC, which implements the Expedited Funds Availability Act.

With the elimination of “nonlocal checks”, the fifth-business day availability rule now only covers cash and checks deposited into ATMs not owned by the credit union. Next-day availability rules remain unchanged, as do the rules applicable to government checks and cashier, teller’s and certified checks.

Unless the credit union imposes one of six exceptions still allowed under Regulation CC, all other “local” checks are now generally subject to second-business day availability.

**STERLING-VAN DYKE
CREDIT UNION**

TRUTH-IN-SAVINGS DISCLOSURE

**ELECTRONIC FUNDS TRANSFER
AGREEMENT**

FUNDS AVAILABILITY POLICY

Your savings federally insured to at least **\$250,000**
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

Sterling-Van Dyke Credit Union
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STERLING-VAN DYKE CREDIT UNION
ACCOUNT AGREEMENT

This is the Agreement between you, the member, and STERLING-VAN DYKE CREDIT UNION, of Sterling Heights, Michigan, regarding your savings accounts with the Credit Union. By establishing an account with the credit union you agree that this Agreement is a binding contract between you and the credit union. You should retain a copy of the agreement and feel free to call the credit union if you have any questions. This Agreement also includes certain disclosures required under the Truth In-Savings Act and National Credit Union Administration and Federal Reserve Board regulations and commentary, the Electronic Funds Transfer Act (and Regulation E) and the Funds Availability Act (Regulation CC). The words “you” and “your” mean the member and any joint members or co-depositors or co-borrowers. The words “we”, “our”, “us”, and the “Credit Union” mean the STERLING-VAN DYKE CREDIT UNION.

MEMBERSHIP AND YOUR SHARE ACCOUNT

Membership. The Credit Union has as its field of membership and serves: any persons who work or live in Macomb County, Michigan; any person who receives a retirement annuity, pension, social security, or similar retirement payment from private or government sources, and lives in, or belongs to a retirement organization located in the county, or in a county contiguous to the county where the credit union’s principal place of business is located; employees of this credit union; members and immediate families (Defined as, relatives of the member by blood, marriage or adoption, whether living in the same household or not; also, other individuals living in the same household) of the foregoing; any legal entity that is comprised for the most part of the same general group as the membership of the credit union as outlined above; a spouse of a deceased member if accepted into membership prior to remarriage. The Credit Union’s main office is located at 39139 Mound Road, Sterling Heights, MI 48310. Membership in the Credit Union is a lifetime membership provided that you keep your membership in good standing. The Credit Union’s bylaws provide that ‘once a member, always a member’ - so that even if you retire, change jobs (outside of the field of membership) or move to a new location, you may remain a member of the Credit Union. Only members in good standing may receive the benefits and services of the Credit Union.

Share Account. To become a member of the Credit Union, you must complete a membership signature card, initially open a share account with \$10. After 90 days, \$50 needs to be maintained in the primary share account. A fee may be assessed if the balance is drawn below \$50. Also, \$50 is required to be on deposit prior to applying for a loan with the Credit Union. A service fee may be assessed when balance is drawn below required minimums based on service used. (See the fee schedule for a list of fees.)

Deposits Generally. After you have established your share account, you may make additional deposits into, or withdrawals from, your share account, or establish other types of savings accounts as described herein, at any time and in any amount. The account is not transferable except on the credit union's books and records. We may establish minimum amounts for deposit in your share or other savings accounts. You can make deposits in person or by mail, or arrange for direct deposit of your payroll. If you have an ATM/MasterMoney Debit Card, you can also make a deposit through one of the automated teller machines (ATM) equipped to accept deposits. You can also transfer funds for deposit from one savings account to another within the Credit Union, within the same account #, through our Telephone Access System audio response service (using a touch tone phone), or through our Home Banking website using the internet. (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.)

All deposits are subject to proof and verification. If you deposit a check, draft or other non cash item, we have the right to clear it before we make the money available to you subject to federal regulations. (See the Funds Availability notice under Regulation CC regarding this.) If there are special fees for collecting your deposit, you promise to pay them. We may deduct them directly from your account. If we feel there is a reason, we may refuse, limit or return any deposit. We have the right to refuse to accept any deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay interest on amounts subject to garnishment, levy or other legal process; and we reserve the right not to pay interest on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited interest).

Joint Accounts. If more than one person signs the signature card for a share account or other type of savings account, the Credit Union is authorized to accept any of the signatures on the applicable card in the payment of funds or the transaction of any business in relation to the account. You agree that any funds in that account may be paid upon request or order of any person signing that signature card whether the other or others are living or not. Each signer appoints each other signer to be his or her irrevocable attorney in fact: to make deposits to the account; to endorse, for cash or deposit, any checks or other items whether payable to one of the signers alone or with others; and to receive and receipt for all funds all without obligation to us to inquire into the source or application of funds. To induce us to act thereunder, each person signing the signature card jointly and singly agrees to hold the Credit Union harmless and indemnify us from loss, cost, and damage in all respects in connection with any of the foregoing, including court costs and attorneys' fees.

You are creating, and intend to create, a "joint tenancy with rights of survivorship." That is, you as the owners of the account agree with yourselves and the Credit Union that all sums paid in shares or other deposits (as applicable), together

with all accumulations, prior to now or hereafter, shall be owned by all of you jointly with full right of survivorship, and shall be subject to withdrawal or receipt by any of you in whole or in part. Payment to any of you or the survivor(s) of you, or your personal representative, administrators or assigns of the last survivor(s) of you, shall be valid and discharge the Credit Union from any liability for such payment and amount. Any or all of the joint owners may pledge all or part of the shares or deposits in the account as collateral for security on a loan(s). No authority or obligation of the Credit Union may be changed or terminated by one or more of the joint owners without prior written notice to the Credit Union, and no such change or termination shall affect transactions already made. Further, each joint owner is subject to the terms and disclosures of this Agreement.

DIVIDENDS (INTEREST)

Rate. Your share account will earn what are known as dividends. Dividends are like interest, except that the rate of dividends is set by the Credit Union's Board of Directors (the "Board") from time to time, and dividends are not guaranteed. The dividend (interest) rates will be available each business day at our offices. The words "dividend" and "interest" may be used interchangeably in this Agreement.

Calculating Dividends. We calculate your dividends using the actual daily balance method. That is, before we open each day, we take the amount that has been in your account overnight (including any dividends which have been credited to your account) and multiply it by the applicable daily percentage rate. (The daily percentage rate is the annual interest rate divided by 365 days - 366 days in leap year.) The result is the dividend your account earned the day before. In other words, money must be in your account overnight before it will earn dividends. Dividends on non cash deposits (checks) begin to accrue on the day the deposit is received by us and will accrue to, but not including, the day of withdrawal or transfer.

Compounding. We compound your dividends, even though that isn't required by law. Compounding is more favorable to you because once dividends have been paid to your account they are added to the balance on which you will continue to earn dividends. We compound your checking account dividends on a monthly basis. All other accounts are compounded on a quarterly basis.

Crediting Dividends. Dividends are not available to you until they have been credited to your account. Even though your account earns dividends every day, we don't actually credit them to your account until the last day of the quarter. Dividends are credited to your checking account on the last day of the month. Dividends that are credited to your account will be added directly into your account.

Annual Percentage Yield (APY). Because we compound dividends, the actual yield on your account will be somewhat higher than the annual dividend rate. The APY will be posted each month along with the annual interest (dividend) rate.

How Withdrawals Affect Dividends. Even though we don't credit your dividends to your account until the last day of the month, or the last day of the quarter, we calculate them on a daily basis. Therefore, if you make a withdrawal, you won't receive any further dividends on that amount from the day you make the withdrawal until the end of the month. If you withdraw all of the funds in your account before the last day of the month or the last day of the quarter, you will not earn any interest for that month or quarter. Other than dividend disbursements, withdrawals may be limited to 6 per year.

Fund Availability. If you make a non cash deposit, that money will be available to you in accordance with a separate schedule of availability of funds for items deposited for collection (under Federal Regulation CC). If you make a deposit by authorizing us to collect funds from another account (for example, from a savings account at another credit union or bank), that deposit may not earn interest or be available to you until we actually collect the funds.

REGULAR SHARE ACCOUNT

Establishing Account and Rate. Regular Share accounts may be established by signing the appropriate signature card. The interest rates to be earned on these accounts are determined and may change monthly. Regular Share accounts are "tiered rate" accounts, meaning the account has two or more dividend rates that are applicable to specified balance levels. (See the Rate Sheet for specific interest rate information.)

Minimum Deposit. There is a minimum deposit of \$10 to open and maintain an open account. After 90 days \$50 needs to be maintained in the primary share account. A fee may be assessed if the balance is drawn below \$50, after 90 days from opening date. A service fee may also be assessed when the balance is drawn below required minimums based on services used. (See the fee schedule for a list of fees.)

Deposits may be made by mail, at the teller window, at a Service Center Branch, payroll deduction, CO-OP Network teller machine, and/or direct deposit of retirement, Social Security or Net Pay. (To be eligible for an ATM or Master Money Debit Card, you need a Daily Share (for ATM) or a Checking Account (for Debit Card)).

You can also transfer funds for deposit to or from your regular share account to or from another share type within the same account #, through our Telephone Access System audio response service (using a touch tone phone) or through our Home Banking website using the internet. (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.) Pre-authorized transfers from this share type are limited to six (6) per month due to regulations governing this type of share account.

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on Regular Share accounts in the same manner as in the above sections (under Dividends).

DAILY SHARE ACCOUNT

Establishing Account and Rate. Daily Share accounts may be established by a member signing an appropriate signature card. The interest rates to be earned on these accounts are determined and may change monthly. The interest rates will be available each business day in our office.

Minimum Deposit. There is a minimum deposit of \$10 to open and maintain an open account. If this is the primary share account, after 90 days, \$50 needs to be maintained. A fee may be assessed when balance is drawn below required minimums based on services used. (See the fee schedule for a list of fees.)

Deposits may be made by mail, at the teller window, at a Service Center Branch, payroll deduction, through an automatic teller machine (ATM) as a deposit to savings, and/or direct deposit of retirement, Social Security or Net Pay. You can also transfer funds for deposit to or from your daily share account to or from another share type within the same account number, through our Telephone Access System audio response service (using a touch tone phone) or through our Home Banking website using the internet. (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.)

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on Daily Share accounts in the same manner as in the above sections (under Dividends).

FLEXIBLE MONEY FUND ACCOUNT

Establishing Account and Rate. Flexible Money Fund accounts may be established by signing the appropriate signature card. The interest rate to be earned on Flexible Money Fund accounts is indexed to the current Money Market rate. The interest rates will be available each business day in our office. Flexible Money Fund accounts are "tiered rate" accounts, meaning the account has two or more dividend rates that are applicable to specified balance levels. (See the Rate Sheet for specific interest rate information.)

Minimum Deposit. There is a minimum deposit of \$1,000 to open the Flexible Money Fund account. See the Rate Sheet for the minimum deposit required for earning the stated APY for each tier. If you have a Flexible Money Fund account and allow the balance to fall below \$1,000, you will not earn interest.

Deposits may be made by mail, at the teller window, at a Service Center Branch, CO-OP Network teller machine, payroll deduction, and/or direct deposit of retirement, Social Security or Net Pay.

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on Flexible Money

Fund accounts in the same manner as in the above sections (under Dividends).

Using Your Flexible Money Funds Account. Money can be withdrawn from your Flexible Money Fund account in different ways:

1. You can write a special check for this account and sign it. Or, if we have a power of attorney on file at the Credit Union, the person with authority to sign for you can sign the check.

2. If you have an ATM/MasterMoney Debit Card. You can use it to withdraw money from your account at an CO-OP NETWORK ATM machine equipped to disburse cash. You also need to have a checking account to be eligible for an ATM or MasterMoney Debit Card.

3. If you are enrolled in Telephone Access System, our audio response service, you can transfer funds to or from your Flexible Money Fund account to or from another savings/loan account within the Credit Union as long as they are within the same account number (using a touch tone phone) or through our Home Banking website using the internet. (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.)

You may order these special checks through the Credit Union or any other vendor you prefer. We will provide you 50 checks without charge.

You may make unlimited cash withdrawals at the teller window or at an ATM. You are limited to 3 check withdrawals and 3 pre-authorized withdrawals per month. Or, 6 pre-authorized withdrawals per month.

TERM SHARE ACCOUNTS (CERTIFICATES OF DEPOSIT (CDs))

Rate. The interest rate and APY for CDs is determined and made available every Tuesday (or the following business day if a holiday) and are in effect through the following Monday. Once you purchase a CD, your interest rate will not be changed or recalculated during the term of the certificate, with the exception of the adjustable rate certificates. The APY assumes that interest earned will remain on deposit until maturity. A withdrawal will reduce earnings.

The interest rate to be earned is indexed to the Treasury Bill rates.

Minimum Balance Requirement. To open a CD account, you must deposit at least \$500. There are no fees to open a CD account. You must maintain these same minimum balances during the entire term of the CD in order to obtain the disclosed APY.

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on CDs in the same manner as we do on your share account. See the above sections (under Dividends) for these explanations.

Renewal Policy. We will automatically reinvest your CD in another certificate at the APY in effect at the date of maturity for the same term as the previous certificate. If you choose not to renew the certificate and the funds are transferred to another savings account at the Credit Union, dividends will be paid from the date of the transfer to the savings account at the current interest rate and APY for the savings account in which the funds were deposited.

Transaction Limitations. After the CD certificate is purchased, you may not make deposits into or withdraw principal from that CD until the maturity date. Interest may be withdrawn after credited to your certificate without penalty.

- If you wish to deposit additional funds into a CD, you may purchase another CD certificate at the then current rate.
- Discounted Certificates are set up with a specific amount at maturity. These are not set up for interest to be withdrawn.

Early Withdrawal Penalty. If you withdraw any principal before the maturity date, the entire certificate will be closed and the remaining principal will be transferred to another interest bearing account, and the following penalties will be incurred (depending on the initial term length of the certificate):

Term less than 12 months	90 day interest penalty
Term 12 months or more	180 day interest penalty

If death of account holder no early withdrawal penalty for survivors withdrawing Term Share Account (CD) before maturity date.

CHECKING ACCOUNTS

Deposits Generally. After you have established your checking account (also referred to as a share draft account), you may make additional deposits into, or withdrawals from, your checking account at any time and in any amount. \$50 must be maintained in another share account to open a checking account. You can make deposits in person, by mail, at a Service Center Branch, or arrange for direct deposit of your payroll. If you have an ATM/MasterMoney Debit Card, you can also make a deposit through one of the ATMs equipped to accept deposits. You can also transfer funds for deposit to or from your checking account to or from another share type, within the same account #, through our Telephone Access System audio response service (using a touch-tone phone), or through our Home Banking website using the internet.

All deposits are subject to proof and verification. If you deposit a check, draft or other non cash item, we have the right to clear it before we make the money available to you subject to federal regulations. (See the Funds Availability notice under Regulation CC regarding this.) If there are special fees for collecting your deposit, you promise to pay them. We may deduct them directly from your account. If we feel there is a reason, we may refuse, limit or return any deposit. We have the

right to refuse to accept any deposit and we specifically reserve the right to refuse to accept checks for deposit that have more than one endorsement. We reserve the right not to pay interest on amounts subject to garnishment, levy or other legal process, and we reserve the right not to pay interest on any deposit that is returned to us unpaid by the financial institution on which it is drawn (even if that means a reversal of credited interest). All checks or withdrawals on your checking account may be returned by us unpaid without notice to you for any reason that checks are normally returned, as for example: insufficient funds, uncollected funds, or litigation.

Using Your Checking Account. Money can be withdrawn from your checking account in different ways:

1. You can write a check and sign it. Or, if we have a power of attorney on file at the Credit Union, the person with authority to sign for you can sign the check.

2. You can arrange to have specific payments come out of your checking account electronically through ACH (Automated Clearing House).

3. If you have an ATM or a MasterMoney Debit Card, you can use it to withdraw money from your account at an ATM machine equipped to disburse cash, or to pay a merchant who accepts MasterMoney Debit Cards.

4. If you are enrolled in the Telephone Access System, our audio response service, you can transfer funds to or from your checking account to or from another savings or loan account within the Credit Union as long as it is within the same account number (using a touch tone phone), or through our Home Banking website using the internet. (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.)

5. If you are enrolled in the Handi Online Pay Service, you can pay bills through this service via our Home Banking site on the internet. (See the bill paying agreement/disclosure for terms and conditions.)

As long as you have money in your account to cover them, you can write any number of checks you want. There is no per check fee. You may order checks through the credit union or any other vendor you prefer. We recommend ordering checks through the credit union for your personal safety and security. We will have the checks printed for you and charge your account for the fee (costs for check printing vary depending on the style of checks ordered). The checks will be personalized as you wish. We will provide your first 50 checks without charge to get you started.

Rate. The interest rate earned on this account may change monthly. The interest rate and APY will be available each business day at our offices. At our discretion, the interest rate for your account may change at any time. No minimum balance is required to obtain the APY which will be listed.

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on your checking account on a monthly basis. See the above disclosures (under Dividends) for these explanations.

Fees. If you maintain a minimum balance of at least \$250 at all times during the month in the checking account, are a retiree with Direct Deposit or a member with Net Pay Direct Deposit, there is no fee for maintaining the account. If your balance falls below \$250 during the month, or you are not a retiree with Direct Deposit or a member with Net Pay Direct Deposit, there is a monthly maintenance fee. There are other fees which may be charged to your account. (See the fee schedule for a list of fees.) These fees may be changed at our discretion.

Overdraft Protection. Two types of overdraft protection are available. You may enroll for an automatic share transfer, or apply for an overdraft line of credit. The Credit Union may add or delete one or more of the types of overdraft protection available.

You may apply to have automatic share transfers cover overdrafts by automatically transferring the funds from your share account (if the funds are available in the share account). Pre-authorized transfers may be limited to no more than 6 in any one month. (This is due to certain regulations for certain types of accounts.)

You may apply for an overdraft line of credit. It will cover any number of overdrafts each month by transferring the funds from the loan account to your checking account (up to the maximum available in the loan account). The line of credit is a loan account that requires a loan application that must be approved. When the loan is accessed, a minimum payment of at least \$15 is due within 30 days of the overdraft notice and each month thereafter, until the loan is paid in full together with interest. Line of credit Loan add-ons are generally done in \$100 increments.

A check returned for insufficient funds is subject to a fee (see Fee Schedule). The Credit Union has the option of honoring an NSF check or dishonoring it to avoid the creation of an overdraft. Honoring of past overdrafts does not obligate the credit union to honor them in the future. The Credit Union is not required to send prior notice of checks returned NSF and you agree to deposit immediately sufficient funds to cover any overdraft and service charges.

Truncated Checks. Your canceled checks will not be returned to you, they will be held by us (“truncated”) for you. Your checks will have carbonless copies for you to keep for your records. Your monthly statement will itemize your canceled checks by number, date of clearing and the amount of the check. A copy of any check will be available to you for a small fee (see Fee Schedule).

Stop Payments. You may stop payment on a check drawn on your checking account with us by notifying us by phone, by

mail, in person, or via our Home Banking site on the internet. If you notify us by phone, you must confirm it in writing within 14 days on a form provided by us. You must include all required information for the stop order to be effective. For example, in order for us to follow the stop payment request, the exact amount of the check must be provided. Written stop payment orders, including oral orders confirmed in writing are effective for only six months unless renewed in writing for additional six-month periods. A stop payment order will not be effective on a money order or a check previously certified or paid by us. A written request is required to cancel previous stop payment requests.

The Credit Union may, for ten days after the date of your death, pay checks drawn before death unless ordered to stop payment by the personal representative or other appropriate person claiming an interest in the account.

INDIVIDUAL RETIREMENT ACCOUNT (IRA)

Generally, if you are less than age 70-1/2 and have earned income, you may establish an Individual Retirement Account (IRA). Deposits made into an IRA may or may not be tax deductible from your gross annual income; see your tax advisor. Deposits may be made into your IRA up to a maximum amount each year. This amount may vary each year. Check with our IRA department to find out the maximum allowed for the current year. Maximum contributions are also based on your earned income in that year and whichever is less. You may also establish a “rollover” IRA with funds from a qualified pension plan in accordance with the tax laws, or a “transfer” IRA with IRA funds from a different financial institution. There are no maximum deposit limits on rollover or transfer IRAs. Earnings on an IRA account will accumulate tax-deferred until you begin to make withdrawals. You may begin to make withdrawals without tax penalty once you reach age 59-1/2; you must begin to make withdrawals when you reach age 70-1/2 (excluding Roth IRA’s). You may choose a lump sum distribution or regular disbursements. Withdrawals made prior to age 59-1/2 may be subject to penalties both by the Credit Union and the Internal Revenue Service. Different rules apply in the event of death or permanent disability. Again, see your tax advisor. Other terms and conditions of your IRA will be disclosed on the 5305A Plan Agreement and Disclosures.

Types of Individual Retirement Accounts. The Credit Union offers two types of IRA accounts - a variable rate and an IRA Certificate of Deposit. These may be used for regular IRAs or Roth IRAs.

Variable Rate IRA. A variable rate IRA can be opened with a deposit of \$10 or more. You may make additional deposits at any time, including automatic deposits through payroll deduction or allocation. The account is treated like a share account. The interest (dividend) rate and APY may change monthly. Withdrawals made prior to age 59-1/2 are subject to a 180 day interest penalty in addition to any penalties imposed by the Internal Revenue Service. Please review the Share Account

disclosures above regarding APY, compounding, calculating and crediting interest.

IRA Certificate of Deposit. A fixed rate of return for a given period may be obtained by investing in an IRA Certificate of Deposit. The terms and disclosures of Certificates of Deposit given above apply to IRA Certificates also, including those regarding rates, minimum balance requirements, calculating, compounding and crediting dividends, renewals, transaction limitations and early withdrawal penalties (in addition to any tax penalties for withdrawals made before age 59-1/2). An interest penalty would still be imposed if an IRA Certificate is redeemed prior to maturity, even if the age of 59-1/2 has been attained.

CHRISTMAS CLUB ACCOUNTS

Generally. Members who wish to save for Christmas expenses may wish to establish a Christmas Club account. A Christmas Club account is a savings account with the special purpose of having money available to you at the beginning of October so that you may buy your gifts and cover your holiday expenses. You may use payroll deduction or allocate a portion of your net pay to set up a routine savings plan into your Christmas Club account.

Rate. The interest rate earned on this account may change monthly. The interest rate and APY will be available each business day at our offices. At our discretion, the interest rate for your account may change at any time.

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on Christmas Club Accounts in the same manner as we do on your share account. See the above sections (under Dividends) for these explanations.

Minimum Deposit. A minimum deposit of \$10 is required to open a Christmas Club account. You may save as much or as little as you wish in this account. Deposits may be made by mail, at the teller window, through payroll deduction, and/or direct deposit of retirement, Social Security or Net Pay.

Withdrawal. After October 1, you may make withdrawals from your Christmas Club in our offices, transfer to your checking account using our Telephone Access System, e-mail via Internet or the balance in your Christmas Club can be mailed to you upon written request, at your address of record.

VACATION CLUB ACCOUNTS

Generally. Members who wish to save for vacation or travel holiday expenses may wish to establish a Vacation Club account. A Vacation Club account is a savings account with the special purpose of having money available to you so that you may cover your vacation expenses.

Rate. The interest rate earned on this account may change monthly. The interest rate and APY will be available each business day at our offices. At our discretion, the interest rate for your account may change at any time.

Calculating, Compounding and Crediting Dividends. We calculate, compound and credit dividends on Vacation Club Accounts in the same manner as we do on your share account. See the above sections (under Dividends) for these explanations.

Minimum Deposit. A minimum deposit of \$10 is required to open a Vacation Club account. Deposits may be made by mail, at the teller window, through payroll deduction, and/or direct deposit of retirement, Social Security or Net Pay.

Withdrawal. Withdrawals from your Vacation Club can be made throughout the year.

OTHER TERMS AND CONDITIONS

Share Insurance. Your savings in the Credit Union are insured up to \$100,000 by the National Credit Union Administration (NCUA), an agency of the Federal Government. Individual Retirement Accounts are insured separately up to \$250,000 by NCUA.

Charges. You agree to pay us charges in connection with your accounts in accordance with the fee schedule for deposit accounts in effect from time to time. We will provide at least 15-days advance notice of any increase in current charges, or any new charges. We may deduct any charges from your account. We reserve the right to waive any charges in our sole discretion.

Return of Deposits/Closed Accounts. We may, at any time, in our sole discretion, refuse to accept any deposit, or close any or all of your accounts with us without prior notice to you. Provided, however, we may not terminate your membership in the Credit Union without satisfying the notice provisions of Credit Union law. If we close an account, we will notify you and send you a check for any balance in your account after deducting all applicable charges. Any withdrawal that reduces the amount in an account to zero may automatically close that account. We are not liable for any check, withdrawal or other order after an account is closed. Any checks presented after your account has been closed will be returned unpaid. We reserve the right to advise consumer reporting agencies and other third parties of accounts closed for misuse.

Dormant Accounts. The Credit Union will consider your account dormant (inactive) after two years of no deposits or withdrawals on your account. The account will continue to earn interest. Accounts with balances less than \$100 that are dormant for 90 days will be subject to a fee (see Fee Schedule).

Statement. You will receive a periodic statement (normally monthly) for your checking account. You will receive a periodic statement (normally quarterly) for your share account or other savings accounts unless you have an electronic funds

transfer transaction during a monthly period, or a combined statement. If so, then the savings statement will be sent to you monthly. Each such statement shall show the transactions on your accounts and any charges. We reserve the right not to send statements for accounts we consider inactive.

You should examine the periodic statement carefully and reconcile the account. If there are any discrepancies, the Credit Union should be notified immediately. You are in the best position to detect an unauthorized signature, a forged endorsement, or an alteration. You have the responsibility for any fraud loss if you fail to exercise reasonable care in examining the statement or fail to report forgeries or alterations to the Credit Union within 60 days of the mailing date of the earliest statement containing those items. The Credit Union will not be liable if items were forged or altered such that the fraud could not be detected by a reasonable institution.

Agreement. This Agreement shall be effective and shall govern all savings and checking accounts with us. By signing a signature card, making deposits or withdrawals, or leaving amounts on deposit, you agree to the terms of this Agreement. This Agreement shall supersede all previous agreements for such account. This Agreement shall be governed by the laws of the State of Michigan except as superseded by federal laws and regulations. Any action brought against the Credit Union must be brought in the local State District Court or State Circuit Court in the jurisdiction of the Credit Union's main office.

Amendment. We may change any of the terms of this Agreement at any time without prior notice to you if the change is favorable to you. We may make changes that are adverse to you only if we provide you with at least 15-days advance notice. You may close the account if you do not agree to the changes; if you continue to use the account or keep the account open after the effective date of such change, you will be deemed to have agreed to the changes.

Notices. All notices regarding the account will be posted in our office lobby or will be sent to you to the address shown on your statement. In the event of joint ownership, notice by or to any one joint depositor shall be deemed noticed by or to all. We reserve the right not to send notice for accounts we consider inactive. Written notices sent to the Credit Union are not effective until receipt. Written notice to the member is effective when mailed to the address shown on the statement. Notices to us should be sent to:

STERLING VAN DYKE CREDIT UNION
39139 Mound Road
Sterling Heights, MI 48310

Indemnity. If by following your instructions we are exposed to a claim or suit by an adverse claimant, you shall hold us harmless and indemnify us from any such losses, expenses, liabilities or damages. If you ask us to follow instructions that we believe might expose us to claims, suits, losses, expenses, liabilities or damages, whether directly or indirectly, we may

refuse to follow your instructions, or we may require a bond or other protections.

Severability. If any of this Agreement is found by any other court or regulatory body of competent jurisdiction to be invalid or unenforceable in whole or part for any reason whatsoever, the authority of the remaining provisions or portions hereof shall not be affected thereby.

Waiver. We may waive any of these provisions at our sole discretion, but any such waiver will apply only on that occasion. The Credit Union shall not be bound to waive the same provision or any other provision on another occasion.

Offset. We may charge against your account any debt you owe us, now or in the future, without going through any legal process or court proceeding. If this is a joint account, we may charge the debts owed to us by any or all of you against the deposits of any of you. We will notify you if we have exercised our right of offset.

Telephone Requests. You agree (for joint accounts, all joint tenants agree jointly and severally) that funds in any of your accounts with us can be transferred, upon the telephone request of any signer on the account, to another account with us or to any other financial institution. We shall not be responsible for any loss incurred as a result of our acting upon or executing any request, order or instruction we believe to be genuine. Furthermore, we may refuse to execute any telephone request or order.

Information About Your Accounts and About You. Generally, we will not disclose information to third parties about your accounts or about you without your permission. However, we may disclose information: (1) when it is necessary to complete transfers or transactions, or to send notice of dishonor or non-payment; (2) to our accountants, attorneys or other professional advisors; (3) to credit union or financial institution regulators; (4) to exchange, in the regular course of business, credit information with other financial institutions or commercial enterprises, directly or through credit reporting agencies; (5) to advise third parties of accounts closed for misuse; (6) to furnish information to the appropriate law enforcement authorities when we believe we have been a victim of a crime; (7) to comply with government agency or court orders, or to furnish any information required by statute; (8) to furnish information about the existence of an account to a judgment creditor of yours who has made a written request for such information; (9) when we are attempting to collect an obligation owed to us; or (10) unless otherwise prohibited by law. In addition, you understand and agree that we may, from time to time request and review credit reports and other information about you, prepared by credit reporting agencies or others.

Section Headings. Section headings in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions of this Agreement.

REGULATION E DISCLOSURES ON ELECTRONIC FUND TRANSFERS

The Credit Union makes available to members various “electronic fund transfer” services, made possible by our advanced data processing system. Presently, we offer our plastic ATM card which may also be used as a debit card to directly access your checking account at point of sale (POS) terminals. We also offer a MasterMoney Debit Card - used at merchants who accept MasterMoney Debit Cards, and we offer our audio response system, Telephone Access System, which is accessible with a touch tone telephone.

If you apply for and receive an ATM Card, you will also receive a secret personal identification number (called a PIN). You must know the PIN to use the ATM Card. The ATM Card and PIN can be used in any one of a number of Networks to make “electronic fund transfers” to, from or between your accounts in the Credit Union. The Network logos will be shown on the ATM Card. In addition, the Card and PIN may be used at any merchant who has capability and allows electronic fund transfers from your checking account. Or, if it is a MasterMoney Debit Card, it may be used at any merchant who accepts these cards with your signature.

In certain events, such as a joint account, two or more persons may receive an ATM or MasterMoney Debit Card relating to a single account. If you receive an ATM Card and do not wish to use it, destroy it immediately by cutting it in half.

For the Telephone Access System, you will also be provided a secret personal identification number (PIN). To access Telephone Access System, you must use the PIN from a touch tone telephone. This PIN will generally not be the same as the PIN for your ATM card.

These disclosures summarize your rights and responsibilities under the Federal and Michigan statutes relating to electronic fund transfers and Regulation E of the Federal Reserve Board. These disclosures apply whether the electronic fund transfers are made by use of an ATM, a point of sale terminal, a telephone or in any other manner. The terms of these disclosures are also part of this Agreement between you and us in regard to the making of electronic fund transfers using the ATM Card or MasterMoney Debit Card and PIN and/or Telephone Access System and PIN, including but not limited to the following cases:

- If you use the account(s) after receipt of this disclosure.
- If you already have an ATM Card or MasterMoney Debit Card and PIN and/or Telephone Access System and PIN provided by us and you use them to make such transactions after receipt of this disclosure.
- If you ask us to provide you with an ATM or Debit Card and PIN or a Telephone Access System PIN and you then use it 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 and Agreement. In the case of joint accounts, all persons on the account accept the terms and conditions of this Agreement, both jointly and severally.

Although your accounts may be subject to electronic fund transfers and this Agreement, you may continue to use the accounts in the same manner and to the same extent as in the past in so far as nonelectronic transactions are concerned.

THE FOLLOWING SECTIONS RELATE TO ALL “ELECTRONIC FUND TRANSFERS” AFFECTING YOUR ACCOUNTS, WHETHER MADE BY USE OF A TOUCH TONE TELEPHONE, AN ATM, A POINT OF SALE TERMINAL, OR OTHERWISE.

1. **ATM/ MasterMoney Debit Card and Telephone Access System Usage:** Your ATM Card can be used at any ATM machine displaying the same logos as those on your ATM Card. On the front or back of your ATM Card you will find the symbols used to identify these ATMs. A directory is available from the Credit Union of all available ATM locations in your area. In addition, your ATM Card can be used at any point-of-sale terminal or “POS” terminal. Your Debit Card can be used at any merchants who accept MasterMoney Debit Cards. In order to assist the Credit Union in maintaining the security of your account and that of the ATMs, the ATM Card remains the property of the Credit Union and it or the use of Telephone Access System may be revoked or canceled at any time without giving you prior notice. You agree not to use your ATM/Debit Card or Telephone Access System for a transaction that would cause your account balance to go below zero, or that would go above any credit line which may be attached to your account. The Credit Union will not be required to complete any such transaction, but if we do so, you agree to pay the Credit Union the amount of the improper withdrawal or transfer upon our request, together with any cost associated with such transaction. You also authorize us, in these cases, to apply from any other shares or accounts you may have in the Credit Union such amounts as may be necessary to pay this overdraft amount and applicable charges.

You understand and agree not to make or permit to be made any illegal transaction on your accounts through use of a card, check, or any other manner.

2. **“ELECTRONIC FUND TRANSFER” SERVICES AVAILABLE:** At the present time, you can authorize the following types of “electronic fund transfers” to or from your account(s) in the Credit Union:

TELEPHONE/HOME BANKING ACCESS SYSTEM: If we issue you a PIN you can use it to make any and all of the following non cash “electronic fund transfers” utilizing Telephone Access System via a touch tone telephone:

- Transfers between your Regular Shares, Checking, Daily Shares, Vacation Club, Christmas Club and/or Flexible

Money Fund account(s), within the same account number. . (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.)

- Transfers from your Share or Checking account(s) to your loan account(s), within the same account number, to make a loan payment. . (Transfers within different account #'s may be set up through the Home Banking website only after verification of proper signers of both account #'s.)

The above applies for Internet access also. The Telephone Access System and Internet PIN is the same.

In addition, you can use the PIN to make any and all of the following transactions (which are not “electronic fund transfers”) utilizing Telephone Access System via a touch tone telephone:

- Inquire of balances in your Regular Shares, Checking, Daily Shares, Christmas Club, Vacation Club, Escrow, Flexible Money Fund, IRA and/or Certificates of Deposit account(s).
- Inquire of loan balances.
- Determine Savings interest rates and/or loan rates.

If you have an ATM or Debit Card for which we have issued a PIN, you can use it to make any or all of the following transactions in a network which is shown on your card:

- Deposits to your Daily Share and/or Checking account(s).
- Cash withdrawals from your Daily Share and/or Checking account(s).
- Cash advance on a Line of Credit Loan

CO-OP NETWORK TRANSACTIONS (within the State of Michigan): If you have an ATM or Debit Card for which we have issued a PIN, you can use it to make any or all of the following transactions in a CO-OP NETWORK ATM within the State of Michigan:

- Deposits to your Daily Share, Regular Share, Flexible Money Fund and/or Checking account(s).
- Cash withdrawals from your Daily Share, Regular Share, Flexible Money Fund and/or Checking account(s).
- Cash advance on a Line of Credit Loan.
- Transfers (non cash) between your Daily Share and Checking account(s).
- Transfers (non cash) between your Line of Credit loan and your Checking account(s).
- Payments on Line of Credit loans (these are not “electronic fund transfers”).

“ELECTRONIC FUND 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 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.
- Deposits of pensions from employers who have agreed to send such deposits to us.
- Deposits from any third party through the facilities of the Payments Authority. “ELECTRONIC FUND TRANSFERS” FROM YOUR ACCOUNT(S) (DEBITS):

- Payments for goods and services from merchants.
- We allow electronic check transactions to post to your checking account.
- Automatic deductions from your account of premiums for Group Life Insurance and Disability Insurance coverage available to our members.
- Payments of your mortgage payments, insurance premiums and utility bills as well as other types of payments to third parties, through the facilities of the Payments Authority.

3. **LIMITATIONS ON DAILY USE:** The amount of cash which may be withdrawn using your MasterMoney Debit Card at an ATM machine will be limited to a maximum of \$500 per ATM Card account in any one day. During computer down time, you will be limited to a maximum of \$200.

4. **PERSONAL IDENTIFICATION NUMBER AND/OR PIN:** The ATM Card can only be used with your Personal Identification Number (PIN), which is used to identify you as an authorized user of the ATM Card. Internet and Telephone Access System can only be used with your PIN which is used to identify you as an authorized user of Telephone Access system. Because the PIN(s) is used for identification purchases, you agree to notify the Credit Union immediately if the ATM Card is lost or stolen or if the secrecy of the PIN(s) is compromised. You also agree not to reveal your PIN(s) to any person not authorized by you to use the ATM Card or Telephone Access System. You agree not to write the PIN on the ATM Card or on any item kept with the ATM Card. The security of your account depends upon your maintaining possession of the ATM Card and the secrecy of your PIN(s).

5. **MINIMUM BALANCE:** You must always maintain a minimum of \$50 in a share account to be entitled to make “electronic fund transfers” affecting your account(s).

6. **AVAILABILITY OF DEPOSITS:** Any deposit transactions through an ATM are subject to proof and verification. Transactions made through Telephone Access System or Home Banking System are binding on the Credit Union only after proof and verification by the Credit Union. This may result in delay in the crediting of such transactions to your account, particularly when the transaction occurs on or immediately preceding a Sunday or bank holiday. Deposits made at ATMs may not be available for your use up to five (5) business days after you initiate the transaction.

Furthermore, you acknowledge and agree that if you deposit a check, draft or other item through an ATM not owned by the Credit Union and such item is not paid by the financial institution upon which it is drawn, the Credit Union shall not be liable for any failure to return or send notice of dishonor to you by our midnight deadline.

7. **FEES:** There may be a limitation on the number of withdrawals and/or inquiries you are allowed each month. Fees may be charged for withdrawals, inquiries, replacing your ATM Card and/or for PIN replacement. See the Fee Schedule.

We reserve the right to change the fees for the Cards and for “electronic fund transfers.” Presently, no fees are charged for Telephone Access System, but we reserve the right to charge such fees in the future. We will give you 30 days advance written notice before imposing such changes.

Notice Regarding ATM Fees Charged by Others: When you use an ATM that is not owned by us, you may be charged a fee by the ATM operator and/or by an automated transfer network.

8. **DOCUMENTATION OF “ELECTRONIC FUND TRANSFERS:”**

- You will get a transaction receipt at the time you make any transfer to or from or between your account(s) using an ATM if you request one. If an ATM fails to furnish a receipt, please call us immediately. You will also get a transaction receipt at the time you make any transfer from your checking account using a POS terminal.
- If you have arranged to have direct deposits (which are “electronic fund transfers”) made to your account(s) 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. If that person or company does not give you such notice you can call us at the telephone number appearing below.
- You will get a statement of each account every month.

9(a). **LIABILITY FOR UNAUTHORIZED USE:** Tell us AT ONCE if you believe your ATM Card, Debit Card, or PIN has been lost or stolen or your PIN has been compromised. 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 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 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. 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 will extend the time periods.

9(b). SPECIAL LIABILITY PROTECTION RULES FOR MASTERMONEY DEBIT CARD: Unless you have failed to use reasonable care to safeguard your MasterMoney Debit Card from risk of loss or theft, or you have reported two or more incidents of unauthorized use to us in the 12 months immediately preceding any report of unauthorized use, or your account is not in good standing, you will not be liable for any unauthorized transactions made with your lost or stolen MasterMoney Debit Card, when used for point-of-sale transactions (excluding transactions performed at an ATM). If your card was lost because you failed to use reasonable care to safeguard the card from the risk of loss or theft, or if you have reported two or more incidents of unauthorized use to us in the 12 months immediately preceding any report of unauthorized use, or if your account is not in good standing, these special rules do not apply, and your liability for the unauthorized use of your MasterMoney Debit Card is addressed above in section 9(a).

9(c). NOTIFICATION OF LOST/STOLEN CARD: If you believe your ATM or MasterMoney Debit Card or PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, contact us at the phone number and address shown in Section 19 immediately.

10. ERRORS OR QUESTIONS: Call or write the Credit Union at the telephone number and address appearing below as soon as you can if you think your periodic statement or receipt is wrong, or if you need more information about a transaction listed on the periodic statement or receipt in order to assert an error. The Credit Union must hear from you no later than 60 days after we sent you the first periodic statement on which the problem or error appeared. You must:

- Give the Credit Union your name, member number, ATM Card account number, MasterMoney Debit Card account number (if applicable) and your Share, Checking or Flexible Money Fund account number(s) involved.
- Describe the error or the transaction you are not sure about and explain as clearly as you can why you believe it is an error or why you need more information
- Give the Credit Union the dollar amount of the suspected error.

If you give the Credit Union oral notice, you will be required to send us your complaint or question in writing within ten business days.

We will investigate the matter and 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. 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 you give notice of an error within 30 days after you make the first deposit to your account, 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.

11. STOPPING PAYMENT OF AUTOMATIC “ELECTRONIC FUND TRANSFERS” FROM YOUR ACCOUNT(S): If you have told us in advance to make regular payments out of your account, you can stop any of these payments. You must call or write us at the telephone number or address appearing below in time for us to receive your request three 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 to get it to us within 14 calendar days.

If these regular payments vary in amount, the person you are going to pay will tell you ten 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 from the previous payment, or when the amount would fall outside certain limits that you set. If so, you must make the necessary arrangements with the person you are going to pay.

12. REVERSAL OF POS TRANSACTIONS: The Credit Union will reverse an “electronic fund transfer” made at a POS terminal in payment for goods and services if all of the following occur:

- You provide notice to the Credit Union of having made a good faith attempt to seek redress and you assure us that you have returned the related goods in dispute where returnable goods are involved.
- The amount of the transaction is \$50 or more.

- Within four (4) calendar days following the POS transaction, you contact the Credit Union either orally or in writing during normal business hours and request the reversal of the “electronic fund transfer.”
- If you give the Credit Union oral notice, you must send us your request to reverse the “electronic fund transfer” in writing within 14 calendar days. If written verification is not received, the Credit Union will reinstate the original debits and credits involved in the POS transaction.

13. **LIABILITY FOR FAILURE TO MAKE “ELECTRONIC FUND TRANSFERS:”** If the Credit Union does not properly complete an “electronic fund transfer” involving your account on time or in the correct amount in accordance with the terms of this agreement, we will be liable for your losses or damages. However, there are some exceptions. The Credit Union will not be liable for the following:

- If your account did not have enough money which was “available for use” to make the transfer. Money may not be available for use when, for example, you deposit funds in the form of a check. The money from the check may not be available for your use until the Credit Union receives the money from the financial institution on which the check was drawn.
- If a malfunction occurs or you improperly used the ATM or Debit Card or Home Banking System or Telephone Access System.
- If the Credit Union has terminated this agreement or the transaction would exceed your established overdraft protection, if applicable.
- If the ATM where you attempted to make the transaction did not have enough cash to allow the transaction.
- When circumstances beyond the Credit Union’s control interfere with or prevent the transaction, despite reasonable precautions taken by the Credit Union.
- When the Credit Union receives inaccurate or incomplete information needed to complete a transaction.

14. **ACCOUNT INFORMATION DISCLOSURES:** The Credit Union will disclose information to third parties about your account(s) or “electronic fund transfers” made to your account(s) only:

- Where it is necessary for completing transfers or investigating and resolving errors involving the transfers, or;
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or the provider of the ATM, or;
- In order to comply with government agency or court orders, or;
- With your consent.

15. BUSINESS DAYS: Our business days are:

Monday, Wednesday and Thursday from 9:00 a.m. to 4:30 p.m.; Tuesday from 10:00 a.m. to 4:30 p.m.; and, Friday from 8:00 a.m. to 4:30 p.m.

Holidays are not included. A holiday falling on a Saturday will be generally observed on the preceding Friday, while a holiday falling on a Sunday will be observed on the following Monday. Notice will be provided for any changes to the above hours.

16. VOLUNTARY TERMINATION: You can decide to discontinue using the ATM, Debit Card and/or Telephone Access or Home Banking System and terminate this Contract. If you notify us, we will take the necessary steps to make your accounts with the Credit Union no longer accessible by these Cards and/or by Telephone Access or Home Banking System.

17. AMENDMENTS AND TERMINATION: We reserve the right to amend this disclosure in any manner at any time. If we do so, we will give you such advance notice thereof as we deem to be reasonable under the circumstances. You agree that we may amend or modify this disclosure without notice if an immediate change is necessary to maintain or restore the security of the system or any account. We also reserve the right to terminate this disclosure by sending a notice of such termination by first class mail to your last known address on our records. This notice will be effective when mailed.

18. NOTIFICATION OF REGULATORY AUTHORITY: This disclosure and the electronic fund transfer services provided hereunder are governed in part by federal and Michigan law. You may notify the Federal Trade Commission of the State of Michigan Office of Financial and Insurance Services of any violation of law at:

FEDERAL TRADE
COMMISSION
118 St. Clair Avenue
500 Mall Building
Cleveland, OH 44114

OFFICE OF FINANCIAL A
AND INSURANCE SERVICES
Division of
Financial Institutions
Box 30224
Lansing, MI 48909

19. ADDRESS AND TELEPHONE NUMBER OF OUR CREDIT UNION:

STERLING-VAN DYKE CREDIT UNION
39139 Mound Road
Sterling Heights, MI 48310
(586) 264-1212
(800) 974-6478

REGULATION CC DISCLOSURES ON FUNDS AVAILABILITY

Our policy is to make funds available to you on the day we receive your deposit. At that time, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. However, even after we have made funds available to you and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

LONGER DELAYS MAY APPLY. In some cases we will not make all of the funds that you deposit by check available to you on the Business Day of your deposit. Depending on the type of check that you deposit, funds may not be available until the eleventh Business Day after the day of your deposit. However, the first \$100 of your deposit will be available on the same Business Day.

If we are not going to make all of the funds from your deposit available on the same Business Day, we will notify you at the time you make the deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, 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 the day we receive your deposit.

Determining the Availability of a Deposit. The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays and federal holidays. If you make a deposit before 4:30 p.m. on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 4:30 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.

Same-Day Availability. Funds from the following deposits are available the day of your deposit:

- U.S. Treasury checks that are payable to you.
- Wire transfers, including preauthorized credits, such as social security benefits and payroll payments.
- Checks drawn on STERLING-VAN DYKE CREDIT UNION.

If you make the deposit in person to one of our employees, funds from the following deposits are also available the day of your deposit.

- Cash.
- State and local government checks that are payable to you.
- Cashier's, certified and teller's checks that are payable to you.

- Federal Reserve Bank checks, Office of Thrift Supervision checks and postal money orders, if these items are payable to you.
- Other known business checks.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day of your deposit.

OTHER CHECK DEPOSITS. The delay for other check deposits depends on whether the check is a local or non local check.

1. **LOCAL CHECKS.** The first \$100 from a deposit of local checks will be available the day of your deposit for cash withdrawal and to pay checks you have written to others. The remainder generally will be available on the second business day after the day of your deposit for both of these purposes.

For example, if you deposit a local check of \$700 on a Monday, \$100 of the deposit is available immediately to pay checks to others and to withdraw in cash. The remaining \$600 is available on Wednesday for cash withdrawal and to pay checks you have written to others.

In some cases, however, depending on the bank on which the check is drawn, special limitations apply to withdrawals in cash. The first \$100 will be available on the business day of your deposit. An additional \$400 of the deposit may be withdrawn in cash at or after 4:30 p.m. on the second business day after the day of your deposit. All the remaining funds will be available for cash withdrawal on the third business day after the day of your deposit.

2. **NON LOCAL CHECKS.** The first \$100 from a deposit of non local checks will be available the day of your deposit for cash withdrawal and to pay checks you have written to others. The remainder will be available on the fifth business day after the day of your deposit for both of these purposes.

For example, if you deposit a non local check on a Monday, \$100 of the deposit is available immediately to pay checks to others and to withdraw in cash. The remaining funds from the deposit are available on Monday of the following week for cash withdrawal and to pay checks written to others.

If you deposit both categories of checks, \$100 from the checks will be available the day of your deposit not \$100 from each category of check.

3. **CERTAIN OTHER CHECKS.** We can process non local checks drawn on financial institutions in certain areas faster than usual. Therefore, funds from deposits of checks drawn on institutions in those areas will be available to you more quickly.

If we cash a check for you that is drawn on another bank, 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 check we cashed would have been available if you had deposited it. For example, if we cash a \$200 local check for you, \$100 of funds already in your account will not be available until the second business day after the day we cashed the check.

If we accept for deposit a check that is drawn on another bank, 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 us. 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 check that you deposited.

LONGER DELAYS MAY APPLY

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit 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 six months.
- There is an emergency, such as a 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 15th business day after the day of your deposit.

DEPOSITS AT AUTOMATED TELLER MACHINES

Checks deposited at Credit Union owned and operated ATMs will be available according to the schedule set forth above. Checks deposited at ATMs we do not own or operate may not be available until the fifth business day after the day of deposit.

SPECIAL RULES FOR NEW ACCOUNT. If you are a new account customer and your account has been open 30 days or less, we may further limit your ability to withdraw funds deposited by check, but only during the first 30 days. You may still withdraw funds at the start of the Business Day after the Banking Day you make your deposit if you made the deposit in cash or by wire transfer. The first \$5,000 from a deposit of U.S. Treasury checks will also be available for withdrawal on the first Business Day after the day of your deposit. The excess over \$5,000 will be available on the ninth Business Day after the day of the deposit. You also have next-day availability for the following check deposits if they are payable to you: state or local government checks; cashier's checks, certified checks, teller's checks, traveler's checks, or U.S. Postal Service Money

Orders. However, your withdrawals of these check deposits are limited to the first \$5,000 of a day's total deposits. The rest is available on the ninth Business Day after the day of deposit, if you do not make the deposit in person to one of our employees, the first \$5,000 will not be available to you until the second Business Day after your deposit.

WIRE TRANSFER NOTIFICATION (UNIFORM COMMERCIAL CODE ARTICLE 4A)

The following rules shall apply to all wire transfers services provided by the Credit Union.

STERLING-VAN DYKE CREDIT UNION may accept, on your behalf, payments to your account that have been submitted by Fedwire. Your rights and obligations with respect to such transfers shall be governed and construed in accordance with Regulation J, Subpart B – Funds Transfers Through Fedwire. These regulations and state law are applicable to funds transfers involving your account.

If you give us a payment order that identifies a beneficiary (the person to whom you are wiring funds) by name and account or some other identifying number (such as a Social Security, Taxpayer I.D. or driver's license number), we may pay the beneficiary on the basis of the number provided to us by you and consider that number to be proper identification. This will be true even if the number you provided to us identifies a person different from the named beneficiary, unless otherwise provided by law or regulation.

If you give us a payment order that identifies the beneficiary's financial institution in the funds transfer by name and Routing and Transit ("R/T") or other identifying number, we, as well as the receiving financial institution, may rely on the number provided to us by you as the proper identification. This will be true even if the number provided identifies a financial institution that is different from the named financial institution, unless otherwise provided by law or regulation. Therefore, it is in your best interest to contact the receiving institution to acquire the appropriate wire transfer instructions so that you may feel confident that your money will arrive safely. You, the member, are ultimately responsible for providing accurate information regarding funds transfers and are consequently liable for any losses or expenses should an error occur.

You may not be provided with separate notification each time we receive a wire transfer into your account. We will provide you with notification of an incoming wire transfer as part of your periodic statement. In the event we accept payments to your account through one or more Automated Clearing Houses ("ACH"), the operating rules of the National Automated Clearing House Association ("NACHA") will be applicable to ACH transactions involving your account. These rules do not require that we provide you with next day notice of receipt of an ACH item. Therefore, we will provide you with notification of the receipt of these items as part of your periodic statement.

In addition, if we are ever obligated to pay interest on the amount of the transfer, you will be paid interest on a daily basis equal to the current dividend rate that is otherwise applicable to the account from which the funds transfer should have occurred. In the event we are ever liable to you for damages due to a transfer, your damages will be limited to actual damages only. We will not be responsible for incidental or consequential damages, court costs or attorneys' fees, unless otherwise provided by law or regulation.

We may accept, on your behalf, payments to your account which have been transmitted through one or more Automated Clearing Houses and that are not subject to the Electronic Funds Transfer Act ("Regulation E"). Your rights and obligations with respect to such payments shall be governed and construed in accordance with the applicable Federal Reserve Bank Operating Circular. Whenever an ACH is used as part of a transaction, its rules will govern that part of the transaction. Where none of the above stated rules apply, the transactions contemplated by this agreement shall be governed by the laws of the State of Michigan, including Article 4A of the Michigan Uniform Commercial Code.

Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for the credit entry through a Federal Reserve Bank. If we do not receive final settlement, you are hereby notified that we are entitled to a refund of the amount credited to you in connection with the credit entry. Moreover, you are hereby notified that the party making payment to you (originator) shall not be deemed to have paid you the amount of the credit entry.