

# **LOCAL UNION 392 FEDERAL CREDIT UNION**

## **MEMBER CHECKING ACCOUNT AGREEMENT**

I/We do hereby authorize the Local Union 392 F.C.U. to establish a share draft (hereafter referred to as a checking account) for me/us and to pay checks signed by me/us and to charge the payments to my/our checking account.

The Credit Union reserves the right to refuse to open a checking account to any member or organization that has caused the Credit Union a loss. The Credit Union reserves the right to refuse to open a checking account to any member or organization of members that have a past history of misuse of other financial services at the Credit Union. The overdraft from the regular savings or revolving loan must be from the same base account number as the checking account. The accounts where the account number is different but the member or joint member(s) has access will not have funds transferred automatically to any other account. These funds may be transferred or the overdraft may be returned by option of the Credit Union. An overdraft fee will be assessed on different account number transfers or returns. The revolving loan overdraft option will only be provided to those members eligible for revolving loans under current loan policies.

The minimum payment on revolving overdraft loans will be \$50.00/month. The revolving loan overdraft option will not be provided to minors or organization accounts. Each joint member of the checking account must be jointly obligated on the revolving loan overdraft option.

Money withdrawn from a member's checking account will immediately be deducted. The Credit Union will require proper identification. The Credit Union reserves the right to refuse any check presented in the office for payment.

### **IT IS AGREED THAT:**

1. Only check blanks and other methods approved by the Credit Union may be used to make withdrawals from this account. When paid, canceled checks become the property of the Credit Union and as such, will not be returned. With either the periodic statement of this account or otherwise truncated check system-original checks are not returned to the member, but are retained by the payable through bank for a period of 7 years. This system cuts down the paperwork, postage and staff time.
2. Substitute Checks: To make check processing faster, federal law permits credit unions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check will state: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks that you receive from us may be substitute checks.
3. The Credit Union may close a checking account or Debit/ATM account for misuse of the account(s). Accounts may be closed for the following reasons: excessive negative balances (overdrafts) or withdrawals made at the ATM machine that exceeds the fully paid and collected balance, writing checks against un-deposited funds, or collected funds, or repeated abuse of the account through losing checks, or losing ATM cards, or not assisting in the investigation of a forgery.
4. Any minor that wishes to open a checking account must have their parent or guardian sign as the joint owner. That parent or guardian is responsible for the account.
5. The maximum amount of the revolving overdraft line of credit loan will be \$3,000.00. The minimum amount will be \$100.00. Minimum payment will be \$50.00/month. If a member already has a \$3,000.00 signature loan, the line of credit may be limited to \$500.00.
6. Minimum balance required to obtain low cost checking is \$500.00. Free checking means free of a per check charge. Such items as a certified check or a stop payment or additional statements, etc. would engender a charge as covered in the fee schedule. This account is free to Seniors 60 years young and retirees.
7. Drafts may not be written on uncollected funds. All non-cash deposits must be collected by the Credit Union before drafts may be written against these amounts. The Credit Union may place a hold pursuant to its Fund Availability Policies until all funds are collected.
8. The Credit Union is under no obligation to pay a check that exceeds the fully paid and collected balance in the checking account. The Credit Union may, however, treat such check as a request to the Credit Union for an advance (in multiples of \$100.00) from the loan account identified below, sufficient to permit the Credit Union may treat such check as a request for a transfer from savings if that amount is available, plus any applicable service charges.
9. The Credit Union assumes no liability on stop payment requests. The member agrees to indemnify the Credit Union for any and all damages arising there from.
10. Stop Payments-Must be made in writing and are subject to applicable fees. Members must provide the full name of the payee, the check number, amount and date of the check in order to place a valid stop payment. The checking account holder retains any obligation to the payee on stop payments. Responsibility is not cancelled by placing a stop payment.
11. The Credit Union does NOT cash checks. Cash may be withdrawn at an ATM, or upon presentation of a check, the payee will be issued a Credit Union check that may be cashed at a bank that the Credit Union will specify, subject to the bank's policies. The Credit Union reserves the right not to accept a payable through check or draft that is presented directly to the Credit Union. The Credit Union reserves the right to refuse to issue a check cashing guarantee card.
12. Except for negligence, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a check. Any obligation respecting any item shown on a periodic statement of the checking account is waived unless made in writing to the Credit Union BEFORE the end of 60 days after the statement is mailed. The Credit Union may pay a check on whatever day it is presented for payment (not withstanding the date or any limitation on the time of payment) appearing on the check.
13. The checking account and ATM services shall be subject to service charges with the rate schedules adopted by the Credit Union, and are subject to change by the Credit Union. All fees and charges are listed on a separate schedule.
14. Our accounts are considered to be variable rate accounts-meaning dividend rates are determined by the Board of Directors, and are subject to change at their discretion. The Credit Union is member-owned. Dividends are paid from current earnings. Dividend rates cannot be declared in advance. Dividend rates and disclosures are listed on a separate schedule.
15. An overdraft line of credit and ATM account will be subject to credit approval. The overdraft option applies to member's regular savings account or a revolving loan that is based on the same account number as the checking account. This option does not cover family accounts, spousal accounts, or any other accounts, loans, or credit cards that the account holders are eligible to use to withdraw funds. The

Credit Union may at its discretion withdraw funds from any account that the account holders are eligible to withdraw funds from, to cover the amount of the resulting overdraft and charge for the overdraft fee. The Credit Union may return the resulting overdraft at its option if no transfer is made.

16. Any objection respecting any item shown on a periodic statement of this account is waived unless made in writing to the Credit Union before the end of 60 days after the statement is mailed.
17. If this agreement is signed by more than one person, the persons signing below shall be the joint owners of this account, which in that event, shall be subject to the terms and conditions of this agreement.
18. Notice is hereby given to you, the member or endorser, that the Credit Union has the right to impress and enforce a statutory lien against your shares and dividends in the event of failure to satisfy a financial obligation, and may enforce the right without further notice to you.
19. Any financial service provided by the Credit Union may be used for any transaction permitted by law. I agree that illegal use of any financial service will be deemed an action of defaults and/or breach of contract, and such service and/or other related services may be terminated at the Credit Union's discretion. I further agree, should illegal use occur, to waive the right to sue the Credit Union for such illegal activity directly or indirectly related to it. I also agree to indemnify and hold the Credit Union harmless from any suits or other legal action or liability, directly or indirectly, resulting from such illegal use.

I HAVE READ, UNDERSTAND, AND RECEIVED A COPY OF THE ABOVE CHECKING ACCOUNT/ATM DISCLOSURE. I HAVE READ AND RECEIVED A COPY OF THE FEE AND DIVIDEND SCHEDULES, AS WELL AS, THE CHECKING ACCOUNT DISCLOSURE.

CERTIFICATE AS TO TAXPAYER IDENTIFICATION NUMBER AND BACKUP WITHHOLDING. Under penalties of perjury, I certify (1) that the number shown on this form is my correct taxpayer identification number, and (2) that I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest and/or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

\_\_\_\_\_ I request an application for an Overdraft Line of Credit

X  I request Overdraft Transfers from Savings

\_\_\_\_\_ I request BOTH types of Overdraft Protection

\_\_\_\_\_  
Account Holder Signature Date

XXX-XX-   
Account Holder Social Security Number

\_\_\_\_\_  
Joint Account Holder Signature Date

XXX-XX   
Joint Account Holder Social Security Number

\_\_\_\_\_  
Street Address City, State Zip

\_\_\_\_\_  
Telephone Number Account Number