

# Electronic Fund Transfer Agreement and Check 21 Act

## EFT Disclosure and Agreement

Dear Member:

TBA Credit Union makes available to members various "electronic fund transfer" services, made possible by our advanced electronic data processing system. We have also provided, and will be providing from time to time, plastic transaction cards to our members. Sometimes two or more persons are furnished such cards relating to a single account in the credit union. In this disclosure, we sometimes call these cards "ATM cards, or Debit cards". When a secret personal identification number (called a "PIN") is provided to a member, the transaction card and PIN can be used in any one of a number of automated teller machines or POS locations, which are part of the electronic fund transfer service network to which we belong. You can make "electronic fund transfers" to, from, or between one or more accounts in the credit union, simply by following the instructions at the machine. Your ATM card and PIN may also be used to purchase goods and services from certain merchants, as described in this disclosure. Another EFT service which we make available is our audio response program in which members can make EFT transactions to or from certain accounts through a touch-tone telephone by use of an "access code." The access code can be used with a touch-tone telephone to make electronic transfers to, from, or between one or more sub-accounts in the credit union by following the rules and procedures of our audio response program. We also offer pre-authorized EFT services through the Payments Authority. We are able to electronically transfer funds from your account(s) to accounts at other financial institutions or receive funds electronically from other financial institutions for deposit to your account. Because you must authorize such transfers in advance, these are called "pre-authorized transfers." In addition, the CU@HOME PC BANKING SYSTEM (the "Home Banking System" or "CU@HOME"), is provided as a service of the Credit Union to permit access to your account information and, upon request, to allow account transactions as described elsewhere in this disclosure to be conducted. When you sign up for CU@HOME you will be issued a secret password to use for this service. This disclosure is furnished to you as a member of TBA Credit Union to meet the requirements of the federal and Michigan statutes relating to "electronic funds transfers," as well as the requirements of the regulation (REG. E) issued by the Federal Reserve Board pursuant to the federal statute, whether such "electronic fund transfers" are made by the use of an automated teller machine, a cash register that is also an electronic terminal, a touch-tone telephone through our Audio Response service, or in any other matter. This disclosure is a contract. That is, the terms and conditions set out here are binding on you and on us as to the making of such "electronic funds transfers" and the use of the transaction cards, PINs, and passwords in the following cases:

- If you use the account(s) covered by this disclosure after receipt of this agreement.
- If you already have an ATM or Debit Card and PIN, or a Home Banking System password, and use them to make transactions after receipt of this agreement.
- If you ask us to provide you with a PIN or Home Banking System password and you thereafter use it, together with your transaction card, to make such transactions.
- If you receive a transaction card from us without asking for it but then ask us to provide a PIN so that you can use the card, and you do thereafter use the card and PIN to make such transactions.
- If you use an "access code" with a touch-tone telephone to make such transactions after receipt of this agreement.

In any such case, 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. Although your account(s) may be subject to "electronic funds transfer" and in that regard are subject to the terms and conditions of this disclosure, you may continue to use those account(s) to the same extent and in the same manner that you have in the past insofar as "over-the-counter" and other non-electronic transactions are concerned. In this disclosure, "you" and "your" includes the plural in cases where two or more persons have an interest in a single account affected by an "electronic fund transfer" service. "We" or "us" refers to TBA Credit Union.

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

**1. Accounts Affected:** Each of the following types of accounts in the credit union can be subject to some kind of "electronic fund transfer" service:

- Regular Shares
- Money Market Accounts
- Checking Accounts
- Line of Credit Loans
- Club Accounts

These types of accounts are sometimes referred to in this disclosure as "asset account(s)" or simply as your "account(s)". As is your right, you have previously designated which of your account(s) you want to be subject to any particular type of "electronic fund transfer" service. You may change those instructions in the future, and we will follow your wishes to the extent our "electronic fund transfer" programs permit at that time.

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

**3. Minimum Balance:** You must always maintain a minimum of \$100.00 in a Regular Share Account to be entitled to make "electronic fund transfers" affecting your account(s), unless you have a special relationship established with the Credit Union that allows for waiving of the minimum balance. We reserve the right to increase minimum balance requirements or to impose other restrictions in the future, but if we do so, we will give you at least 21 days advance written notice.

**4. "Electronic Fund Transfer" Services:** At the present time, you can authorize the following types of "electronic fund transfers" to or from your asset account(s) in the credit union:

### Transfer TO your account(s) (credits):

- Deposits of payroll deductions from various employers, which have agreed to send such deposits to us (contact us to see if your employer is one of them).
- Direct deposit of various government benefits such as but not limited to: 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 active duty allotments.
- Deposit(s) from any third party through the facilities of Payments Authority and/or the National Automated ClearingHouse Association (of which we are a member).
- Automated transfers to your account(s) from another person's account with us.
- Transfers to your account(s) from your other account(s) through our audio response Home Banking or Electronic Bill Presentment programs.

### Transfer FROM your account(s) (debits):

- Automatic Deduction from your account of premiums for insurance coverage available to our members.
- Payments of your house mortgage payments, insurance payments and utility bills, as well as other types of payments to third parties, through the facilities of the Payments Authority and/or the National Automated ClearingHouse Association.
- Automatic transfers from your account(s) to another person's account with us.
- Automatic transfers from your account(s) to make payments on another person's loan owing to us.
- Transfers from your account(s) to your sub-account(s) with us through our audio response, PC Home Banking program.
- Withdrawals from your account(s) through our audio response program.
- Withdrawals from your account(s) through our "bill pay" program and PC Home Banking.

### Automated Teller Machine Transactions:

If you have an ATM/debit card for which we have issued a PIN, you can use it to make any or all of the following transactions at any automated teller machine network which is a part of an electronic funds transfer service network to which we belong as follows (Some transactions listed below may not be available to all networks.):

537 Bay St.    924 E 8th St.    3033 Cedar Valley Dr.



Locally connected. Personally invested.

www.tbacu.com  
231-946-7090

- Deposits to your Checking Account, Regular Savings Account, Club Accounts, and Money Market Account.
- Cash withdrawals from your Checking Account, Regular Savings Account or Money Market Account.
- Transfers (non-cash) from your Regular Share Account or Money Market Account to your Checking Account or from your Checking Account to your Regular Savings Account or Money Market Account or from your Money Market Account to your Regular Savings or Checking Account.
- Advances from Loan Lines of Credit or Loan Payments to all loans.
- Verify balances in specified Regular Checking or Money Market accounts that you have with us.\* (\*These are not electronic fund transfers.)

#### Point of Sale Transactions:

If you have an ATM/Debit card for which we issued you a PIN, you may also use it to purchase goods and services from merchants who have arranged to accept your ATM/Debit card as a means of payment. These merchants are referred to as "participating merchants" and will display a logo or other symbol (Co-op Network for your ATM card or the Visa Logo for your debit card) which identifies them as a merchant who will accept your card. Purchases made with your ATM/Debit card, including purchases where you receive cash back, are referred to as "point of sale" or "POS" transactions or "Debit card" transactions and will cause your regular checking account to be debited for the amount of the purchase. Your savings, checking, VIP checking and your Line of Credit accounts may be used in connection with point of sale/Debitcard transactions performed with your ATM/POS/Debit card. You may use your debit card and pin number to perform the same type of transactions that are listed in the EFT disclosure under the section entitled "ATM Transactions". The restrictions that apply to the Debit card include, but are not limited to: (1) A maximum of 10 transactions per day (a 24 hour time period), (2) A maximum daily cash withdrawal of \$200.00 at any ATM machine, (3) Authorizations may remain outstanding for up to 7 business days while waiting for processing. You have previously told us which of these "electronic fund transfer" services you want to use. You can discontinue use of any such service whenever you want to. If you begin using a different "electronic fund transfer" service after receipt of this disclosure, we must be notified of the account(s) to be affected. We may make additional types of "electronic fund transfer" services available in the future; we may also discontinue one or more, or all, of our "electronic fund transfer" services, but if we do that we will give you at least 21 days advance notice in writing.

#### Electronic Check or Draft Conversion:

A transfer through an automated clearing house when you provide a check to certain merchants or other payees that enables the merchant or other payee to capture the routing, account, and serial numbers to initiate the transfer, whether the check is blank, partially completed, or fully completed and signed; whether the check is presented at POS or is mailed to a merchant or other payee or lockbox and later converted to an electronic fund transfer, or whether the check is retained by the consumer, the merchant or other payee, or the payee's financial institution. Your authorization to make such types of electronic funds transfers may be expressed in writing or implied, for example, by the posting of a sign.

**5. Excluded Transactions:** Our data processing system makes it possible to offer you many electronic services. However, some of these services do not constitute "electronic fund transfers" for the purpose of this disclosure, such as, for example, deposits of payroll deduction from certain employers, payment of premiums for individual or family group life insurance by deduction from your account(s) in the Credit Union, automatic transfers from your account(s) to pay your loan(s) owing to us, automatic transfers between your own "asset account(s)" in the Credit Union, and transfers received via Fedwire or through a similar wire transfer system, such as "A2A" Money Transfer System, that is used primarily for transfers between financial institutions or between businesses. The terms and conditions of this Agreement apply only to those services and transfers, which are "electronic fund transfers" as described above; they do not apply to other transactions which, although electronic in nature, do not constitute "electronic fund transfers" described above.

**6. Fees for "Electronic Fund Transfers":** Fees for "Electronic Fund Transfers" are disclosed separately in our Schedule of Fees. We reserve the right to change those fees from time to time, as we deem necessary. However, if we do raise our fees for those services, we will provide you with at least 21 days advance notice or as otherwise required by law or regulation, before changing them. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

**7. Limitations on "Electronic Fund Transfers":** As to transactions other than those made at an automated teller machine & Debit card transactions, there are at the present time, no limitations as to how often you can make "electronic fund transfers" described in section 4. Nor is there any restriction as to the dollar amount of any one "electronic fund transfer". We reserve the right to impose any such restriction in the future as we deem reasonable, but we will give you at least 21 days advance written notice before doing so.

You understand and agree that you may not use any access device, card, PIN or code for any illegal purpose.

**8. Documentation of Transfers:** You will get a monthly statement on each account(s) which is accessible through EFT transactions unless there are at the present time no electronic funds transfers in a particular monthly statement period; in any case you will get the statement at least quarterly on all your accounts on which EFT transactions may be performed. You may receive a transaction receipt at the time you perform an EFT transaction at an ATM or when you perform a point of sale or a debit card transaction at a participating merchant. Periodic statements we send you on accounts which are subject to "electronic fund transfers" described in section 4 and transaction receipts issued by ATM, POS, or a Debit card terminal are admissible evidence of the transaction

to which they relate. Any discrepancies must be made known within 60 days or statements will be assumed correct. If you arrange to have direct deposit (which are "electronic fund transfers" described in section 4) made to your asset account(s) at least once every 60 days from the same person or company, (1) In most cases, the person or company making the deposit will tell you every time they send the money, but (2) If that person or company does not give you such notice, then you can call us at 1-231-946-7090, Accounting Department to find out whether or not the deposit was made.

**9. Direct Deposits:** If, in connection with a direct deposit plan, we deposit any amount in your account which must later be returned to the originator for any reason, including direct deposits received from the Federal Government, you authorize us to deduct such amount from your account, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of your liability.

**10. Provisional Payment Disclosure:** Credit given by us to you with respect to an ACH entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e., the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

**11. Stopping Payment of Transfers From Your Account(s):** The following rules apply only to "electronic fund transfers" as described in section 4 of this disclosure. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how: You **MUST** call 1-231-946-7090, and ask for the Accounting Department or write to us at:

TBA Credit Union  
PO Box 1049  
Traverse City, MI 49685-1049

in time for us to receive your request 3 "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 get it to us within 14 days after you call. The Stop Payment fee may be found in the Fee Schedule. If the regular payments may vary in amount, the person you are going to pay will tell you, 10 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 you set; if so, you must make necessary arrangements with the person you are going to pay. If you order us to stop one of these payments 3 "business days" or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages. In section 15 of this disclosure, we will tell you what our business days are.

**12. Reversing "Electronic Fund Transfers":** If an "electronic fund transfer" described in section 4 was a payment of \$50.00 or more for goods or services, you have the right to require us to reverse such transfer and re-credit your account with the full amount of the transfer if (1) you tell us, within 4 calendar days after the date of transfer, to make such reversal, (2) you notify us that you have made a good faith attempt to resolve your dispute with the third party involved, and (3) you assure us that any returnable goods involved in the dispute will be returned. If you do these things in writing, you **MUST** send the letter to:

TBA Credit Union  
PO Box 1049  
Traverse City, MI 49685-1049  
Attn: Accounting Department

If you phone us, you **MUST** call 1-231-946-7090, and ask for the Accounting Department. If you tell us orally that you want such a transfer reversed, we will send you a form you can use to confirm your reversal request, your notice of attempted resolution of the dispute, and your assurance to return any returnable goods involved. You are required to get this form back to us properly filled out within 14 calendar days after the date of your oral request for reversal. We reserve the right to impose a reasonable charge for handling such reversal requests, and to increase such charges thereafter.

**13. Disclosure of Information to Third Parties:** In the ordinary course of business, we only disclose information to third parties about your account(s) or the EFTs you make: (1) where it is necessary to verify or complete an EFT transaction, (2) where it is necessary to investigate and resolving errors involving EFT transactions, (3) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, (4) in order to comply with government agency or court orders or any law, or (5) if you give us your permission.

**14. In Case of Errors or Questions About Your "Electronic Fund Transfer":** Telephone us at 1-231-946-7090, and ask for the Accounting Department or write to us at: PO Box 1049, Traverse City, MI 49685-1049 as soon as you can, if you think your statement, ATM, Point of Sale, Debit card, Electronic Bill Presentment or Home Banking transaction receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after you receive the FIRST statement on which the problem appeared. (1) Tell us your name and account number, and (2) Describe the error or the transfer you are unsure about, if it is an ATM, Point of Sale, or Debit card transaction and explain as clearly as you can why you believe it is an error or why you need more information; and (3) Tell us the dollar amount of the suspected error. If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days. We will determine whether an error occurred 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. For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error. We will tell you the results within three business days after completing our investigation. If we decide there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

**15. Liability for Failure to Make "Electronic Funds Transfers":** If we do not complete an "electronic fund transfer," as described in Section 4, to or from your account(s) on time or in the correct amount according to our 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, as, for example, in cases where payroll deduction is not received promptly.
- If there is not enough money in your account, in excess of amounts you have specifically pledged to us as collateral, to make the transfer.
- If funds in your account are subject to garnishment or other legal process which prevents the making of the transfer.
- If we have, because of default, exercised our rights against the funds in your account pursuant to a pledge of funds you gave us.
- If the transfer would go over the credit limit on your overdraft line.
- If there is not enough money in your account to make the transfer because of a deposit(s) made at a Service Center had not yet been posted to your account. Deposits at our Service Centers may not be posted the same day they are made.
- If circumstances beyond our control prevent the transfer, despite reasonable precautions that we have taken.
- If the automated teller machine where you are making the transfer does not have enough cash.
- We will also be excused from liability if you fail to observe the terms and conditions of this Agreement, our audio response program or our account Agreements with you, which relates to such "electronic fund transfers."

**16. Preparation or Delivery of Data Input:** We will not be responsible to you for any claims, damages, losses, or expenses arising out of the preparation or delivery of data input for electronic fund transfers and credit or debit entries prepared by your employer or other person or company authorized to do so. In all cases, we will be entitled to rely upon the accuracy and correctness of the data input prepared by your employer or other authorized person or company, and we will have no obligation to investigate or determine the accuracy or authorization of this data input or the EFT transactions directed by your employer or other person or company authorized by you to do so.

**17. Business Days:** Our "business days" are as follows.

Monday through Friday 9:00 a.m. - 5:00 p.m.

However, our office is closed on New Years Day, Memorial Day, Independence Day (July 4th), Labor Day, Thanksgiving and Christmas, or any day designated for the observance thereof. Our offices are also closed on Friday after Thanksgiving, Christmas Eve day after 1:00 p.m. and New Years Eve day after 1:00 p.m. We reserve the right to change our "business days," hours, and the days we are closed and if we do so we will notify you in advance.

**18. Notification of Regulatory Authority:** This Agreement and the EFT services provided in the Agreement are governed in part by federal and in part by Michigan law. If you believe that we may have violated the federal Electronic Fund Transfers Act or its implementing regulation, Regulation E, you may contact:

Federal Trade Commission  
Electronic Fund Transfers  
Washington, DC 20580

If you believe that we may have violated the Michigan Electronic Funds Transfers Act (Michigan Public Act No. 322 of 1978), you may contact:

State of Michigan  
Department of Labor and Economic Growth  
Office of Financial and Insurance Services  
P.O. Box 30224  
Lansing, Michigan 48909

**19. Amendments; Termination:** We reserve the right to amend this disclosure in any matter at any time. If we do so, we will give you at least 21 days advance written notice when required to do so by law. We do not have to notify you in advance, however, if the change is necessary to maintain or restore security of the system or any account. We also reserve the right to terminate this disclosure by sending a notice of such termination to your last known address on our records, which notice will be effective when mailed.

**20. Location of Machines:** The number and location of automatic teller machines is, of course, subject to change at any time. If you have an automatic teller card and PIN, we will keep you informed from time to time of their location.

**21. Card Ownership:** All transaction cards and PINs and Home Banking passwords we provide to you are the property of the credit union. If this agreement is terminated, you agree to surrender the card to us.

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

**23. Limitations on "Electronic Fund Transfers":** There is no limitation on the number or dollar amount of deposit or payment transactions you may make at an automated teller machine in its 24-hour operating cycle. However, to protect against possible losses your transaction card will only allow you to obtain cash from the machines as follows: \$200.00 per day as combination of ATM withdrawals and Point of Sale transactions. We reserve the right to change these limitations on use of the machine and we will give you notice of any such changes at least 21 days in advance. You have the right to require us to program our system so that no more than \$50.00 cash can be obtained by use of your transaction card during a single day. Please contact us if you want this option.

**24. Responsibility for Overdraft:** If you obtain cash from an ATM or withdraw via a Point of Sale or Debit card transaction which creates an overdraft in your savings or checking account(s), the overdraft amount is due and payable the moment you get it along with the Overdraft Fee as noted in the Fee Schedule and you agree to pay the full amount of it to us. You also authorize us in such case, to apply from any other savings, checking account or line of credit you may have in the credit union such amount as to be necessary to pay such overdraft amount and service charge.

**25. Crediting of Deposits and Payments:** Deposits or payments made in automated teller machine, whether in cash, check, or money order, are subject to verification and the posting of such deposits and payments to savings, checking, or loan accounts may be delayed until they can be collected from the machine, verified, and entered into our accounting system. Further delay may occur if the transaction is made on, or immediately prior to a Saturday, Sunday, or holiday in which we are closed. If you place a check, or money order in the machine as a deposit or payment, it is subject to collection in accordance with your account agreement with us. Payments on Line of Credit loans made at Co-op Network machines (if applicable) will be credited promptly, but there may be a delay in crediting such payments as much as 5 days following the date of ATM transaction.

**26. Liability for Unauthorized Use:** Tell us **AT ONCE** if you believe your ATM Card, Debit Card, Audio Response PIN, or Home Banking Password has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. 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 2 business days after you learn of the loss or theft of your card and/or PIN, you can lose no more than \$50.00 if someone used your Card and/or code without your permission. If you do NOT tell us within 2 business days after you learn of the loss or theft of your Card and/or code, and we can prove that we could have stopped someone from using your Card or code without your permission if you had told us, you could lose as much as \$500.00. Also, if your statement shows transfers that you did not make, including those made by card, password and/or PIN or other means, tell us at once. You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (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.

If you believe your ATM Card, your Debit Card, your Audio Response PIN, or your Home Banking Password has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission,

**Call: 1-231-946-7090**

**or Write:**  
**TBA Credit Union**  
**P.O. Box 1049**  
**Traverse City, MI 49685-1049**

**27. Special Liability Protection Rules of Visa Debit Card:** If you can demonstrate that you exercised reasonable care to safeguard your Visa Debit Card from risk of loss or theft, if you have not reported two or more incidents of unauthorized use to us in the 12 months immediately preceding any report of unauthorized use, and your account is in good standing, you will not be liable for any unauthorized transactions made with your lost or stolen Visa 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 your card from the risk of loss or theft, or if you have reported two or more incidents of unauthorized use to us in 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 Visa Debit Card is addressed above in the "Consumer Liability" section.

**28. Termination of Prior Agreements:** Upon your receipt of this Agreement, and your use of any EFT Services following your receipt of this Agreement, this disclosure terminates and takes the place of any earlier TBA Credit Union Disclosures Pursuant to Electronic Fund Transfer Laws previously furnished to you and you agree to the terms and conditions of this Agreement.

29. The effective date of this disclosure (agreement) is 9/25/92. Revised February 2010.

**TBA Credit Union**  
924 East Eighth Street, Traverse City, MI 49686 • 537 Bay Street, Traverse City, MI 49684  
3033 Cedar Valley Drive, Traverse City, MI 49684

# Check 21 Act

## *Federal Reserve Bank Consumer Awareness Disclosure*

### **IMPORTANT INFORMATION ABOUT YOUR CHECKING ACCOUNT and THE CHECK 21 ACT**

#### **Substitute Checks and Your Rights**

##### **What is a substitute check?**

To make check processing faster, federal law permits banks and credit unions to replace original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "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 back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

##### **What are my rights regarding substitute checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, NSF check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law. If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 44 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

##### **How do I make a claim for a refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by mail at TBA Credit Union, PO Box 1049, Traverse City, MI 49685, by phone at 231-946-7090, or by emailing us at [tba@tbacu.com](mailto:tba@tbacu.com). You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include:

- ▶ A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- ▶ An estimate of the amount of your loss;
- ▶ An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- ▶ A copy of the substitute check or the following information to help us identify the substitute check: the check number, the name of the person to whom you wrote the check, the date the check was written and the amount of the check.

##### **What does this mean for me?**

Check clearing time can go from days to hours so you cannot rely on float anymore. To avoid fees make sure the funds are available in your account at the time you write a check.