

M-C FEDERAL CREDIT UNION DEBIT AGREEMENT AND DISCLOSURE

This Debit MasterCard ("Card") Agreement is the contract which covers your and our rights and responsibilities concerning the debit card services offered to you by M-C Federal Credit Union ("Credit Union"). In this Agreement, the words "you" and "yours" mean those who sign the application or account card as applicants or joint owners. The words "we," "us," and "our" mean the Credit Union. The word "account" means any one or more share and share draft accounts you have with the Credit Union. Debit Card transactions are electronically initiated transfers of money from your account through the Debit Card services described below. By signing an application or account card for Debit Card services, signing your Card, or using any service, each of you, jointly and separately, agree to the terms and conditions in this Agreement and any amendments for the Debit Card services offered.

1. Debit Card. If approved, you may use your Card to purchase goods and services from participating merchants. You agree that you will not use your card for any transaction that is illegal under applicable federal, state, or local law. Funds to cover your Card purchases will be deducted from your share draft account. If the balance in your account is not sufficient to pay the transaction amount, the credit union may pay the amount and treat the transaction as a request to transfer funds from other deposit accounts or approved overdraft protection accounts. If you initiate a transaction that overdraws your Account, you agree to make immediate payment of any overdrafts together with any service charges to the Credit Union. In the event of repeated overdrafts, the Credit Union may terminate all services under this Agreement. You may use your Card and PIN (Personal Identification Number) in Automated Teller Machines (ATMs) of the Credit Union, Cirrus (International), Maestro, STAR or NYCE networks, and such other machines or facilities as the Credit Union may designate. At the present time, you may also use your Card to:

- Withdraw funds from your share and share draft accounts.
- Transfer funds from your share and share draft accounts.
- Obtain balance information for your share and share draft accounts.
- Make POS (Point-of-Sale) transactions with your Card and PIN (Personal Identification Number) to purchase goods or services at merchants that accept MasterCard®.
- Order goods or services by mail, telephone or internet from places that accept MasterCard®.

The following limitations on the frequency and amount of Debit Card transactions may apply:

- Purchase amounts are limited to the amount in your account.
- You may transfer up to the available balance in your accounts at the time of the transfer.
- See Section 2 for transfer limitations that may apply to these transactions.
- There are daily withdrawal and purchase limits.

2. Transfer Limitations. You may use the Card to withdraw up to \$500.00 each business day, provided the funds are available from your account(s). There are certain limitations on the frequency of use of the Card each business day. These limitations are imposed and not revealed for security purposes.

3. Conditions of Debit Card Services.

- Ownership of Cards.** Any Card or other device which we supply to you is our property and must be returned to us, or to any person whom we authorize to act as our agent, or to any person who is authorized to honor the Card, immediately according to instructions. The Card may be repossessed at any time at our sole discretion without demand or notice. You cannot transfer your Card or account to another person.
- Honoring the Card.** Neither we nor merchants authorized to honor the Card will be responsible for the failure or refusal to honor the Card or any other device we supply to you. If a merchant agrees to give you a refund or adjustment, you agree to accept a credit to your account in lieu of cash.
- Foreign Transaction.** MasterCard® Purchases and cash withdrawals made in foreign countries and foreign currencies will be debited from your account in U.S. dollars. The conversion rate to dollars will be determined in accordance with the operating regulations established by MasterCard International. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars is generally either a government-mandated rate or the wholesale rate in effect the day before the transaction processing date, increased by one percentage point. The currency conversion rate used on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.
- Security of Personal Identification Number (PIN).** The PIN issued to you is for security purposes. Any PIN issued to you is confidential and should not be disclosed to third parties or recorded on or with the Card. You are responsible for safekeeping your PIN. You agree not to disclose or otherwise make your PIN available to anyone not authorized to sign on your accounts. If you authorize anyone to use your PIN, that authority shall continue until you specifically revoke such authority by notifying the Credit Union. You understand that any joint owner you authorize to use a PIN may withdraw or transfer funds from any of your accounts. If you fail to maintain the security of this PIN and the Credit Union suffers a loss, we may terminate your Debit Card services immediately.
- Joint Accounts.** If any of your accounts accessed under this Agreement are joint accounts, all joint owners, including any authorized users, shall be bound by this Agreement and, alone and together, shall be responsible for all Debit Card transactions to or from any share and share draft or loan accounts as provided in this Agreement. Each joint account owner, without the consent of any other account owner, may, and hereby is authorized by every other joint account owner to, make any transaction permitted under this Agreement. Each joint account owner is authorized to act for the other account owners, and the Credit Union may accept orders and instructions regarding any Debit Card transaction on any account from any joint account owner.

4. Fees and Charges. There are certain fees and charges for Debit services. From time to time, the charges may be changed. We will notify you of any changes as required by applicable law. Overdraft fees for recurring POS transactions are \$25.00 per transaction, effective 8/15/2010.

If you use an ATM not operated by us, you may be charged a fee by the ATM operator and by any national, regional, or local network used in processing the transaction (and you may be charged a fee for a balance

The ATM surcharge will be debited from your account if you elect to complete the transaction or continue with the balance inquiry. We reserve the right to change our fee schedule from time to time and charge your account accordingly.

- No Annual Fee.
- Replacement Card fee of \$10.00 per card for lost or damaged cards.
- PIN Replacement fee of \$2.00.
- Draft Retrieval fee of \$5.00.
- No Fee for P.O.S. Transactions (using MasterCard credit option)
- Overdraft fee of \$25.00 for recurring POS transactions

5. Member Liability. Contact us immediately if you believe your Card has been lost or stolen. Telephoning is the best way of keeping your possible losses to a minimum. You could lose all the money in your account(s). Should you give your Card or PIN number to someone else to use, you are authorizing them to act on your behalf and you will be responsible for any use of the card by them. If a transaction was made with your Card or Card number without your permission, and is a MasterCard transaction, you will have no liability for the transaction, unless you are grossly negligent in the handling of your card. If a transaction was made without your permission and is not a MasterCard transaction, was made at an ATM or if you are grossly negligent in the handling of your card, your liability is determined as follows:

If you tell us within two (2) business days, you cannot lose more than \$50.00 if someone uses your Card without your permission. If you do NOT tell us within two (2) business days after you learn of the loss or theft of your card, and we can prove we could have stopped someone from using your Card 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, tell us at once. If you do not tell us within sixty (60) days after the statement was mailed to you, you may not get back any money lost after the sixty (60) days if we can prove that we could have stopped someone from making the transfers if you had told us in time. If a good reason (such as a hospital stay) kept you from telling us, we will extend the time periods. If you believe your Card has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call (during regular business hours):

(570) 275-6155
(800) 834 - 0082
Fax: (570) 275-4176

or write to:

M-C Federal Credit Union
Attn: Card Services
PO Box 329
Danville, PA 17821-0329

6. Right to Receive Documentation.

- Periodic Statements.** Transfers and withdrawals made through any Debit Card transactions will be recorded on your periodic statement. You will receive a statement monthly unless there is no transaction in a particular month. In any case, you will receive a statement at least quarterly.
- Terminal Receipt.** You will get a receipt at the time you make any transaction (except inquiries) involving your account using an ATM, POS terminal, or Debit Card transaction with a participating merchant.

7. Account Information Disclosure. We will disclose information to third parties about your account or the transfers you make:

- As necessary to verify or complete a transaction;
- To verify the existence of your account upon the request of a third party;
- To provide information to credit reporting agencies;
- To comply with government agency or court orders; or
- If you give us your written permission.

8. Business Days. Our business days are Monday through Friday, excluding holidays and weekends.

9. Credit Union Liability for Failure to Make Transfers. If we do not complete a transfer to you of from your account on time or in the correct amount according to our agreement with you, we may be liable for your losses or damages. However, we will not be liable for direct or consequential damages in the following events:

- For preauthorized transfers, if through no fault of the Credit Union, the payment information for a preauthorized transfer is not received.
- If, through no fault of ours, there is not enough money in your accounts to complete the transaction, if any funds in your accounts necessary to complete the transaction are held as uncollected funds pursuant to our Funds Availability Policy.
- If you used your Card or access code in an incorrect manner.
- If the ATM Network where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew of the problem when you started the transaction.
- If circumstances beyond our control (such as fire, flood, or power failure) prevent the transaction.
- If the money in your account is subject to legal process or other claim.
- If funds in your account are pledged as collateral or frozen because of a delinquent loan.
- If an error was caused by a system of any participating ATM network.
- If the electronic transfer is not completed as a result of your willful or negligent use of your Card, access code, or any EFT facility for making such transfers.
- Any other exceptions as established by the Credit Union.

10. Notices. All notices from us will be effective when we have mailed them or delivered them to your last known address in the Credit Union's records. Notices from you will be effective when received by the Credit Union at the address specified in this Agreement. We reserve the right to change the terms and conditions upon which this service is offered. We will mail notice to you at least twenty-one (21) days before the effective date of any change. Use of this service is subject to existing regulations governing the Credit Union account and any future changes to those regulations.

11. Billing Errors. In case of errors or questions about electronic funds transfers from your share and share draft accounts, telephone us at the following number or send us a written notice to the following address as soon as you can. We must hear from you no later than sixty (60) days after we sent the first statement on which the problem appears. Call us at:

(570) 275-6155
(800) 834-0082

or write to:

M-C Federal Credit Union
Attn: Card Services
P.O. Box 329
Danville, PA 17821-0329

- Tell us your name and account number.
- Describe the electronic transfer you are unsure about, and explain as clearly as you can why you believe the Credit Union has made an error or why you need more information.
- 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 fourteen (14) calendar days. If we ask you to put your question or complaint in writing and we do not receive it within fourteen (14) calendar days, we may not credit your account.

We will tell you the results of our investigation in writing within ten (10) business days after we hear from you and we will provisionally correct the error promptly or if the correction is in an amount different than the alleged error we will explain the difference. We may take up to sixty (60) days to investigate your inquiry. Our provisional credit to your account within ten (10) business days for the amount you think is in error, allows you the use of the money during the time it takes us to complete our investigation.

We will tell you the results within three (3) business days of completing our investigation. If we decide that an error did not occur, we will send you a written explanation and we may charge back the corrected amount to your account within sixty (60) days of our notice to you.

If you request, we will provide you copies of documents (to the extent possible without violating other members' rights to privacy) relied upon to conclude that the error did not occur.

12. Reversal of Transaction. We will reverse and credit to your account an electronic fund transfer initiated by you for the purchase of goods or services from a third party if you dispute the purchase of goods or services of \$50.00 or more. You must notify us with four (4) calendar days of the transaction that you have made a good faith attempt to resolve the dispute with the merchant, that you have returned or attempted to return the goods or services and that you request a reversal of the transaction.

If your request is oral, we may require that you verify the request in writing within fourteen (14) calendar days. If you do not provide us with written verification we may reinstate the original transaction amount.

13. Termination of EFT Services. You may terminate this Agreement or any EFT service under this Agreement at any time by notifying us in writing and stopping your use of your Card and any access code. You also agree to notify any participating merchants that authority to make bill payment transfers has been revoked. We may also terminate this Agreement at any time by notifying you orally or in writing. If we terminate this Agreement, we may notify any participating merchants making preauthorized debits or credits to any of your accounts that this Agreement has been terminated and that we will not accept any further preauthorized transaction instructions. We may also program our computer not to accept your Card or access code for any EFT service. Whether you or the Credit Union terminates this Agreement, the termination shall not affect your obligations under this Agreement for any EFTs made prior to termination.

14. Governing Law. This Agreement is governed by the Bylaws of the Credit Union, federal laws and regulations, the laws and regulations of the state of Pennsylvania and local clearinghouse rules, as amended from time to time. Any disputes regarding this Agreement shall be subject to the jurisdiction of the court of the county in which the Credit Union is located. The name and address of the governmental agency regulating the Credit Union is:

National Credit Union Administration
Region 2 - Capital
1775 Duke Street
Alexandria, VA 22314-3437

15. Enforcement. You are liable to us for any loss, cost or expenses we incur resulting from your failure to follow this Agreement. You authorize us to deduct any such loss, costs or expenses from your account without prior notice to you. If we bring a legal action to collect any amount due under or to enforce this Agreement, we shall be entitled, subject to applicable law, to payment of reasonable attorney's fees and costs, including fees on any appeal, bankruptcy proceedings, and any post-judgment collection actions.


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